Mae'r ddogfen hon ar gael yn Gymraeg

AWDURDOD TÂN AC ACHUB GOGLEDD CYMRU

NORTH WALES FIRE AND RESCUE AUTHORITY

A meeting of the **AUDIT COMMITTEE** will be held
MONDAY 21 SEPTEMBER 2026 at **09.30 hrs.**
virtually **via Zoom**

Yours faithfully,
Gareth Owens
Clerk

AGENDA

1. **Apologies**

2. **Declarations of Interest**

3. **Notice of Urgent Matters**
   Notice of items which, in the opinion of the Chairman, should be considered at the meeting as a matter of urgency pursuant to Section 100B (4) of the Local Government Act, 1972.

4. **Minutes of the Meeting held on 15 June 2026**

5. **Final Annual Governance Statement, for endorsement**

6. **Statement of Accounts 2025/26, for endorsement**

7. **Quarterly Internal Audit Progress Report 2026/27, for recommendation**

8. **Treasury Management Q1 2026/27 update, for assurance**

9. **Revenue Budget Monitoring Report 2026/27, for assurance**

10. **Budget Setting Assumptions for 2027/28, for information**

11. **Urgent Matters**
    To consider any items which the Chair has decided are urgent (pursuant to Section 100B (4) of the Local Government Act, 1972) and of which substance has been declared under item 3 above.

PART II

It is recommended pursuant to Section 100A (4) of the Local Government Act, 1972 that the Press and Public be excluded from the meeting during consideration of the following item(s) of business because it is likely that there would be disclosed to them exempt information as defined in Paragraph(s) 12 to 18 of Part 4 of Schedule 12A of the Local Government Act 1972.

NORTH WALES FIRE AND RESCUE AUTHORITY
AUDIT COMMITTEE

Minutes of the **Audit Committee** of the North Wales Fire and Rescue Authority held on Monday 15 June 2026 virtually via Zoom. Meeting commenced at 09.30hrs.

Councillor	**Representing**
Gareth Sandilands (Chair)	Denbighshire County Council
Tina Claydon (Deputy Chair)	Flintshire County Council
Ann Davies	Denbighshire County Council
Ian Hodge	Flintshire County Council
Gwynfor Owen	Gwynedd Council
Chrissy Gee	Flintshire County Council
Austin Roberts	Conwy County Borough Council
Arwyn Herald Roberts	Gwynedd Council
Gareth R Jones	Conwy County Borough Council
Jeff Evans	Anglesey County Council

Also present:

Helen MacArthur	Assistant Chief Fire Officer
Anthony Jones	Assistant Chief Fire Officer
Justin Evans	Assistant Chief Fire Officer
Elgan W Roberts	Head of Finance and Procurement
Dafydd Edwards	Advisor
Gareth Owens	Clerk and Monitoring Officer
Angharad Ellis	MIAA
Kieran Vickery	Audit Wales
Charles Rigby	Audit Wales
Heledd Davies	Translator
Ffion Evans	Executive Assistant – minute taker

1.0 APOLOGIES

Name	**Representing**
John Brynmor Hughes	Gwynedd Council

ABSENT

Name	**Representing**
Bryan Apsley	Wrexham County Borough Council
Beverley Parry-Jones	Wrexham County Borough Council

2.0 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest to record.

3.0 NOTICE OF URGENT MATTERS

3.1 There were no notices of urgent matters.

4.0 MINUTES OF THE MEETING HELD ON 16 MARCH 2026

4.1 The minutes of the meeting held on 16 March 2026 were submitted for approval. A proposal was made that they were a true and accurate record of proceedings. This was seconded and passed with all in favour.

4.2 **RESOLVED to:**

i) approve the minutes as a true and accurate record of the meetings held.

5.0 DRAFT ANNUAL GOVERNANCE STATEMENT 2025/26

5.1 ACFO Anthony Jones delivered the Draft Annual Governance Statement 2025/26 which provided Members with assurance that the North Wales Fire and Rescue Authority (the Authority) have effective governance, risk management and internal control arrangements in place, in accordance with the Accounts and Audit (Wales) Regulations 2014, relating to the financial year 2025-26.

5.2 A Member asked for confirmation as to whether any review had been conducted to rationalise internal meetings. ACFO Anthony Jones provided assurance that the governance structure had been reviewed and confirmed that it was operating effectively.

5.3 A Member sought clarification on the structure of the Management Team, noting a CFO, DCFO, three ACFOs, and an ACO. ACFO Anthony Jones confirmed that the Service currently had vacancies for both DCFO and ACO roles.

5.4 The Chair asked how up to date the Fire and Rescue Service (the Service) was on safeguarding training for staff. ACFO Anthony Jones provided assurance noting the appointment of a Safeguarding Manager who was currently reviewing and assessing existing safeguarding arrangements; all staff are required to complete mandatory safeguarding training. ACFO Justin Evans provided further assurance that a Safeguarding Committee was in place to oversee governance in this area.

5.5 A query was raised regarding performance management and stakeholder engagement. ACFO Anthony Jones provided Members with assurance that the Performance Monitoring reports were published on the Service's public-facing website.

5.6 The Chair asked what the Project Management capacity was, with particular emphasis on the Training Centre, and what were the continuous professional development arrangement in place to support this. ACFO Anthony Jones advised that a dedicated Project Support Officer was in post and that a job evaluation was underway to establish a dedicated Project Manager role for the Service, recognising the need for a specialist professional in this area.

5.7 **RESOLVED to:**

i) Note the content of the Annual Governance Statement 2025-26; and

ii) Approve that the Annual Governance Statement 2025-26 be provided to Audit Wales in line with The Accounts and Audit (Wales) Regulations 2014

6.0 DRAFT ANNUAL STATEMENT OF ACCOUNTS 2025/26

6.1 ACFO Helen MacArthur presented the draft Annual Statement of Accounts for 2025/26, including the revenue and capital outturn, balance sheet position, and key financial movements for the Authority.

6.2 It was noted that the Authority has maintained a stable financial position despite ongoing financial pressures. The revenue outturn position was a small surplus of £121,000 which was consistent with the update provided to the Fire Authority at its meeting in April 2026.

6.3 It was asked whether there would be capital investment in training facilities. The Chair highlighted the uncertainty surrounding funding for the Training Centre and raised the question of when estate maintenance would be addressed in the short term. ACFO Justin Evans assured Members that existing facilities were being maintained whilst detailed exploration of funding options was underway, including consideration of the wider impact on community resilience.

6.4 The Advisor thanked the Finance Team for their hard work and noted that ACFO Helen MacArthur had now assumed the role of the Section 151 Officer.

6.5 A query was raised regarding project slippage in the order of £3.19 million. ACFO Helen MacArthur confirmed that this formed part of a broader programme, with robust project governance arrangements in place to ensure schemes were delivered in line with established controls and oversight. The position was being closely managed.

6.6 It was noted that the external audit of the draft Statement of Accounts for 2025/26 had commenced and the final audited version would be presented to members at a future meeting.

6.7 **RESOLVED to:**

i) Note the unaudited revenue and capital outturn position;
ii) Note the unaudited balance sheet position;
iii) Note and endorse the movement to and from reserves; and
iv) Endorse the response to Audit Wales in relation to matters of governance relevant to the Statement of Accounts.

7 INTERNAL AUDIT ANNUAL REPORT AND HEAD OF INTERNAL AUDIT OPINION 2025/26

7.1 Angharad Ellis was welcomed to the meeting and delivered the Head of Internal Audit Opinion and Annual Report 2025/26. The aim of the report was to provide Members with assurance on the whole system of internal control, including the adequacy of risk management and corporate governance arrangements in line with CIPFA'S Public Sector Internal Audit Standards 2017 requirements.

7.3 ACFO MacArthur expressed appreciation for the work undertaken by MIAA.

7.4 **RESOLVED to:**

i) Note the content of the Head of Audit and Procurement's Annual Report and the overall 'opinion' upon the adequacy and effectiveness of the Authority's framework of governance, risk management and control.

8.0 INTERNAL AUDIT CHARTER 2026/27

8.1 Angharad Ellis was welcomed to the meeting and delivered the Internal Audit Charter 2026-27. The aim of this report was to provide Members with the Internal Audit Charter for the 2026/27 financial year.

8.2 **RESOLVED to:**

i) Note and endorse the Internal Audit Charter 2026/27

9.0 QUARTERLY INTERNAL AUDIT PROGRESS REPORT

9.1 Angharad Ellis was welcomed to the meeting and delivered the quarterly Internal Audit Progress. The purpose of the report was to provide Members with an update of the work undertaken by the Authority's internal providers, MIAA, for the 2025/26 financial year and for the period to 31 May 2026.

9.2 It was noted that some of the recommendations remained outstanding and that further work was required to fully embed risk management arrangements across the Service.

9.3 A Member asked for clarification on why some of the risk management recommendations had not yet been implemented and whether this presented concern for the Service. Angharad Ellis confirmed that some progress had been made and the Service had provided confirmation that its current focus was on embedding those arrangements moving forward, which would take time.

9.4 ACFO Anthony Jones provided further assurance to Members, advising that the Service now operates in line with the government best practice. Work continues to strengthen risk management frameworks and ensure they are fully embedded, with risk management remaining central to all Service activities.

9.5 **RESOLVED to:**

- **i) Note the work undertaken by MIAA during 2025/26;**
- **ii) Progress against the 2026/27 agreed plan; and**
- **iii) Note the progress made in implementing the agreed recommendations.**

10.0 TREASURY MANAGEMENT OUTTURN REPORT 2025/26

10.1 Elgan Roberts, Head of Finance, presented the Treasury Management outturn report 2025/26. The purpose of the report was to provide the Authority with an update on the treasury management activity and compliance with the treasury management prudential indicators for the period of 1 April 2025 to 31 March 2026.

10.2 It was asked what the implications were if we did not secure central government funding, including whether the Service would be required to match any funding in the future. ACFO Helen MacArthur provided assurance that this would be considered and overseen through the governance of the Budget Scrutiny Working Group.

10.3 The Chair emphasised the importance of continuous monitoring, given the potential impact to Members and their constituencies.

10.4 RESOLVED to:

i) Note the treasury management activities and prudential indicators for the period 1 April 2025 to 31 March 2026.

11.0 AUDIT WALES AUDIT PLAN 2026

11.1 Kieran Vickery and Charles Rigby were welcomed to the meeting to deliver the Audit Plan for 2026. The purpose of the report is it confirm the 2026 Audit Plan which details the audit approach and work to be undertaken by Audit Wales as North Wales Fire and Rescue Authority (the Authority)'s statutory auditors.

11.2 The Chair asked was pay management, specifically senior pay management benchmarked against comparable roles across Wales.

11.3 Kieran Vickery noted that this was beyond the scope of the Final Accounts Audit.

11.4 The Monitoring Officer provided further assurance to Members, advising that the Principal Officer pay rates are set on a benchmarking basis against Local Government Association (LGA). The Service aligns with the median of these benchmarks, with pay levels subject to review every three years. This approach has been formally agreed with by the full Fire Authority.

11.5 Discussion was held around the timetable of works, and the Advisor gave thanks to Audit Wales for their cooperation.

11.6 RESOLVED to:

i) Note the scope of the work undertaken by Audit Wales.

12.0 URGENT MATTERS

There were no urgent matters to discuss.

Meeting concluded at 10:33hrs

Record of decisions taken by the Audit Committee on Monday 15 June 2026

Agenda Item No	Topic	Decision / Resolution
1	Attendance and Apologies	Councillors in attendance: Gareth Sandilands (Chair); Tina Claydon (Deputy Chair); Ann Davies; Ian Hodge; Gwynfor Owen; Chrissy Gee; Austin Roberts; Arwyn Herald Roberts; Gareth R Jones; Jeff Evans Apologies: Councillors: John Brynmor Hughes Absent: Councillors: Bryan Apsley; Beverly Parry-Jones Also present: ACFO Helen MacArthur; ACFO Anthony Jones; ACFO Justin Evans Elgan W Roberts, Head of Finance; Dafydd Edwards, Advisor; Gareth Owens, Monitoring Clerk; Angharad Ellis, MIAA; Kieran Vickery, Audit Wales; Charles Rigby, Audit Wales; Heledd Davies, Translator; Ffion Evans, Members Services.
2	Declarations of Interest	None.
3	Notice of Urgent Matters	None.
4	Minutes of the Audit Committee Meeting held on 15 December 2025	i) approve the minutes as a true and accurate record of the meetings held.
5	Draft Annual Governance Statement 2025/26	i) Note the content of the Annual Governance Statement 2025-26; and

Agenda Item No	Topic	Decision / Resolution
		ii) Approve that the Annual Governance Statement 2025-26 be provided to Audit Wales in line with The Accounts and Audit (Wales) Regulations 2014
6	Draft Annual Statement of Accounts 2025/26	i) Note the unaudited revenue and capital outturn position; ii) Note the unaudited balance sheet position; iii) Note and endorse the movement to and from reserves; and iv) Endorse the response to Audit Wales in relation to matters of governance relevant to the Statement of Accounts.
7	Internal Audit Annual Report & Head of Internal Audit Opinion 2025/26	i) Note the content of the Head of Audit and Procurement's Annual Report and the overall 'opinion' upon the adequacy and effectiveness of the Authority's framework of governance, risk management and control.
8	Internal Audit Charter 2026/27	i) Note and endorse the Internal Audit Charter 2026/27
9	Quarterly Internal Audit Progress Report	i) Note the work undertaken by MIAA during 2025/26; ii) Progress against the 2026/27 agreed plan; and iii) Note the progress made in implementing the agreed recommendations.
10	Treasury Management Outturn Report 2025/26	i) Note the treasury management activities and prudential indicators for the period 1 April 2025 to 31 March 2026.
11	Audit Wales Audit Plan 2026	i) Note the scope of the work undertaken by Audit Wales.

Mae'r ddogfen hon ar gael yn Gymraeg **Agenda Item 5**

Report to	**North Wales Fire & Rescue Authority Audit Committee**
Date	**21 September 2026**
Lead Officer	**Anthony Jones – Assistant Chief Fire Officer**
Contact Officer	**Jonathan Blyde – Corporate Planning and Performance Manager**
Subject	**Annual Governance Statement 2025/26**

PURPOSE OF REPORT

1 To present to Members of the authority the final Annual Governance Statement (AGS), as required by The Accounts and Audit (Wales) Regulations 2014.

EXECUTIVE SUMMARY

2 The Accounts and Audit (Wales) Regulations 2014 requires the North Wales Fire and Rescue Authority (the Authority) to publish an Annual Governance Statement (AGS) to demonstrate that:
- Business is conducted in accordance with all relevant laws and regulations;
- Public money is safeguarded and properly accounted for; and
- Resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people

3 The Annual Governance Statement for 2025/26 is set out in Appendix 1 and has been prepared in accordance with the principles set out in the CIPFA/Solace Delivering Good Governance in Local Government Framework (2016). The forward work programme for 2026/27 is contained within the draft Annual Government Statement.

4 The Annual Governance Statement will be published as part of the production of the statutory financial statements for 2025/26. An assessment will be made by the external auditor to confirm whether it is consistent with the financial statements and has been produced in line with the Framework.

OBSERVATIONS FROM AUDIT COMMITTEE

5 The Annual Governance Statement 2025/26 was presented to the Audit Committee on 15th June 2026, where no observations were made.

RECOMMENDATIONS

6 It is recommended that Members:

i) Note the final Annual Governance Statement, and:
ii) Agree the proposed actions for 2026/27

BACKGROUND

7 Since 2010/11 all local government bodies have been required, by the Accounts and Audit Regulations 2015, to prepare an AGS which is published as part of the Statutory Accounts.

8 The purpose of the AGS is to assess and demonstrate that there is a sound system of corporate governance throughout the organisation.

INFORMATION

9 In 2016, CIPFA and Solace published a new governance framework, Developing Good Governance in Local Government: Framework (the Framework). The Framework is structured around seven principles of governance which enables the Authority to demonstrate its overall arrangements and set out how it has discharged its responsibilities.

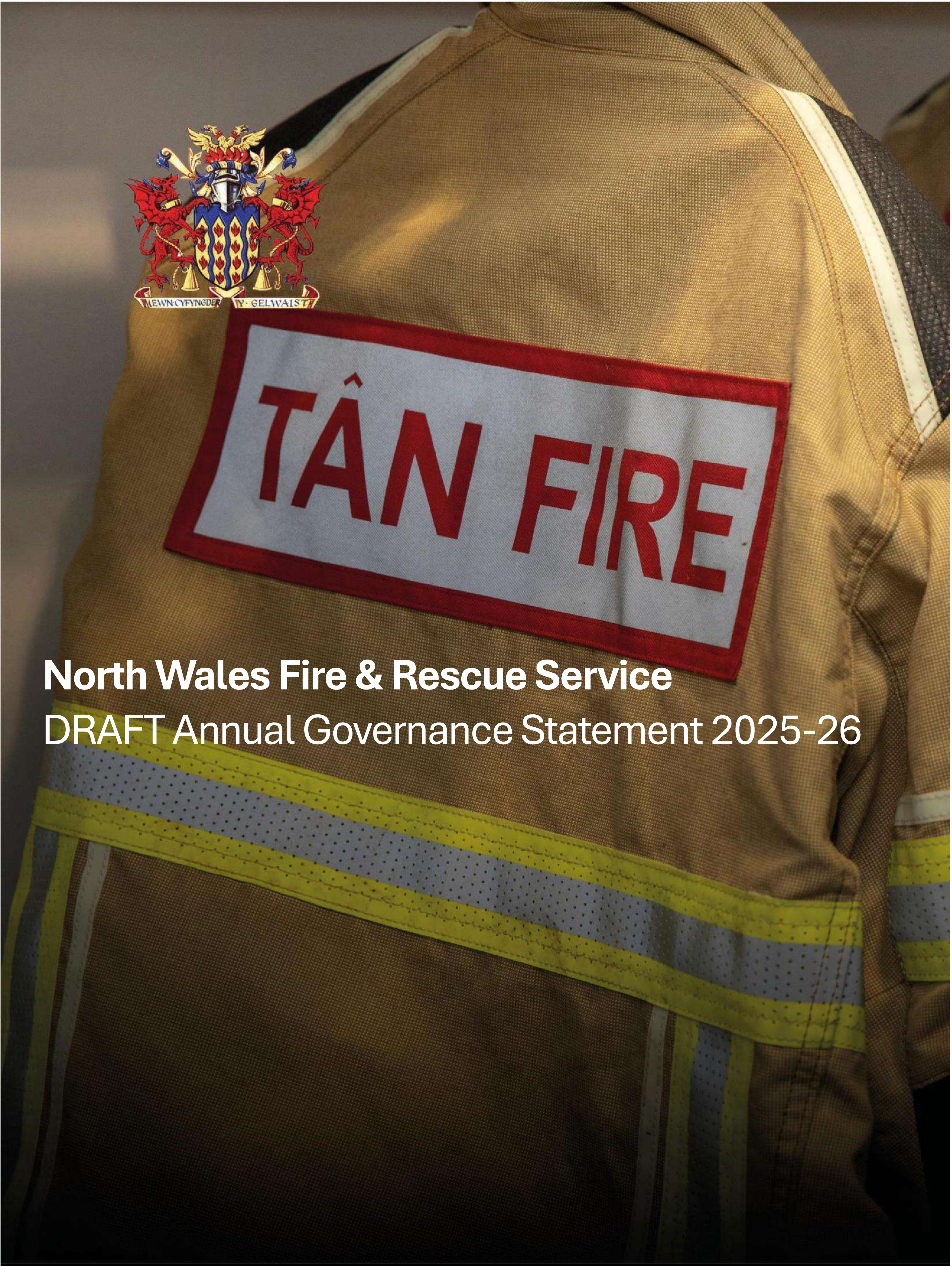
10 The purpose of the Annual Governance Statement is to set out the Authority's arrangements to ensure that:
- business is conducted in accordance with all relevant laws and regulations.
- public money is safeguarded and properly accounted for; and
- resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people.

11 The Annual Governance Statement is reviewed by Audit Wales to confirm that it is consistent with its knowledge of the Authority and the financial statements.

12 Once published, performance against the forward work plan 2026/27 will monitored through the Service Leadership Teams' Performance Board on a quarterly basis.

IMPLICATIONS

Well-being Objectives	This report links to NWFRA’s long-term well-being objectives and demonstrates the governance arrangements in place to enable the Service to provide emergency responses and prevention work well in to the future.
Budget	Na
Legal	Preparation and submission of the Annual Governance Statement to the Auditor General, is in compliance with The Accounts and Audit (Wales) Regulations 2014
Staffing	None
Equalities/Human Rights/ Welsh Language	Compliance with Equality Duty and Welsh Language Standards is explicitly referenced in the Statement.
Risks	A sound governance framework supports the Authority’s risk management arrangements.



North Wales Fire & Rescue Service

DRAFT Annual Governance Statement 2025-26

ATAL AMDDIFFYN YMATEB
PREVENTING PROTECTING RESPONDING

North Wales Fire and Rescue Authority

ANNUAL GOVERNANCE STATEMENT ON INTERNAL CONTROL

For the year ending 31 March 2026

This Statement has been prepared in accordance with The Accounts and Audit (Wales) Regulations 2014 and the guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE), the 'Delivering Good Governance in Local Government Framework' 2016, including the 2025 Addendum on the Annual Review of Governance and the Annual Governance Statement.

The relationships between the seven principles for good governance in the public sector are illustrated below.

Fig. 1 How Principles for good governance relate to each other.

Source: international Framework-Good Governance in the Public Sector

This Annual Governance Statement explains how North Wales Fire and Rescue Authority (The Authority) has complied with the framework and its seven core principles of good governance to ensure that resources are directed in accordance with agreed policy and priorities.

Scope of Responsibility

North Wales Fire and Rescue Authority is responsible for ensuring that:

- business is conducted in accordance with all relevant laws and regulations
- public money is safeguarded and properly accounted for
- resources are used economically, efficiently, effectively and equitably to achieve agreed priorities which benefit local people.

In discharging its overall responsibility, Members and Senior Officers are responsible for putting in place appropriate arrangements for the governance of the Authority's affairs and the stewardship of the resources at its disposal, which includes arrangements for the management of risk.

Strategic leadership is given by and discharged through the Authority and its various Committees, panels and working groups, which enable Members to decide on issues affecting the running of the Authority, in accordance with the principles of openness and democratic accountability.

The Purpose of the System of Internal Control

To fulfil its wide range of functions, the Authority must satisfy political, economic, social and environmental objectives over the short, medium and longer term. This subjects it to a different set of external and internal constraints and incentives from those found in the private sector, all of which affect its governance arrangements.

A key piece of legislation in Wales is the Well-being of Future Generations (Wales) Act 2015, which requires the Authority to consider the longer term in making its decisions and to work collaboratively with other public bodies to improve well-being in Wales.

Stakeholders are, therefore, interested in issues such as:

- whether the Authority's planned outputs have been delivered and outcomes achieved, and
- whether this has been done in an efficient, economic, effective and equitable manner.

To deliver good governance in the public sector, both governing bodies and individuals working for public sector organisations must try to achieve their objectives while acting in the public interest at all times, which implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

This Statement gives assurances that North Wales Fire and Rescue Authority has complied with the governance framework for the year ended 31st March 2026.

The Governance Framework

North Wales Fire Authority currently comprises 28 elected councillors from the six unitary authorities of North Wales, with the number of representatives determined by the population of the area. More information about the Authority, its members and responsibilities can be found here.

The Authority is required to review the effectiveness of its arrangements each year to ensure that there is a sound system of governance. The key contributors to this process include:

Having an Authority and committee structure that:

- monitors the effectiveness of risk management arrangements
- regularly reviews the governance arrangements
- considers and reviews internal and external audit strategies, plans and reports
- reviews, scrutinises and approves the annual statement of accounts.

Having an Executive Panel that:

- provides leadership on governance
- contributes to the completion and review of the Annual Governance Statement
- provides clear direction to the Service and senior managers.

The use of information from various sources to inform the governance arrangements, for example:

- improvement and performance board reports
- risk management arrangements
- external regulator reports
- internal audit reports

The Authority's normal schedule of meetings are attended remotely. The full Fire and Rescue Authority meetings are webcast in Welsh and English simultaneously. All meetings are made available to the public to observe, should they make a request to do so.

The Authority recognises the Welsh Government's Written Statement on the Governance of Fire and Rescue Services, which signals potential future changes to governance arrangements across Wales. While these proposals are not yet embedded within the Service, the Authority is taking them into account as part of its ongoing assessment of governance effectiveness and future readiness.

Early in 2023, the Authority established two working-groups to support the development of two key organisational priorities:

- The Emergency Cover Review Working Group, which has now been superseded by a Collective Agreement Task and Finish Group with Trade Union representation but no longer any Fire Authority representation.
- The new Training and Development Centre Working Group.

In addition, a member of the Fire and Rescue Authority sits on the Equality, Diversity and Inclusion Committee as a member champion, and following the report of the CREST cultural review report, the Chief Fire Officer now chairs a Cultural Board to manage the implementation of the Strategic Cultural Improvement Plan, which is published on the Fire Authority website, 06i-strategic-cultural-improvement-plan.pdf

During 2025-26, the Authority developed its third Community Risk Management Implementation Plan (CRMIP 2026/27), approved April 2026, to deliver against the objectives outlined in the five-year Community Risk Management Plan (CRMP) 2024-2029

A Community Risk Management Plan (CRMP) aims to identify risks facing the community and describes how the Fire and Rescue Authority will manage those risks and continue to prevent and respond to fires and other emergencies.

The Authority has developed five principles for keeping communities safe and the CRMP;

- Acknowledges the requirements of key legislation
- Considers the ongoing work of the Public Services Boards
- Identifies the risks facing our communities
- Outlines what activity the Authority had taken to address these risks
- Explains what actions the Authority will take over the next five years to mitigate those risks
- Aligns with the Authority's revenue budget, capital plan and medium term financial plan.
  -
  - Fig 2. Committees of the Fire and Rescue Authority

North Wales Fire and Rescue Service – Assurance Reporting Diagram

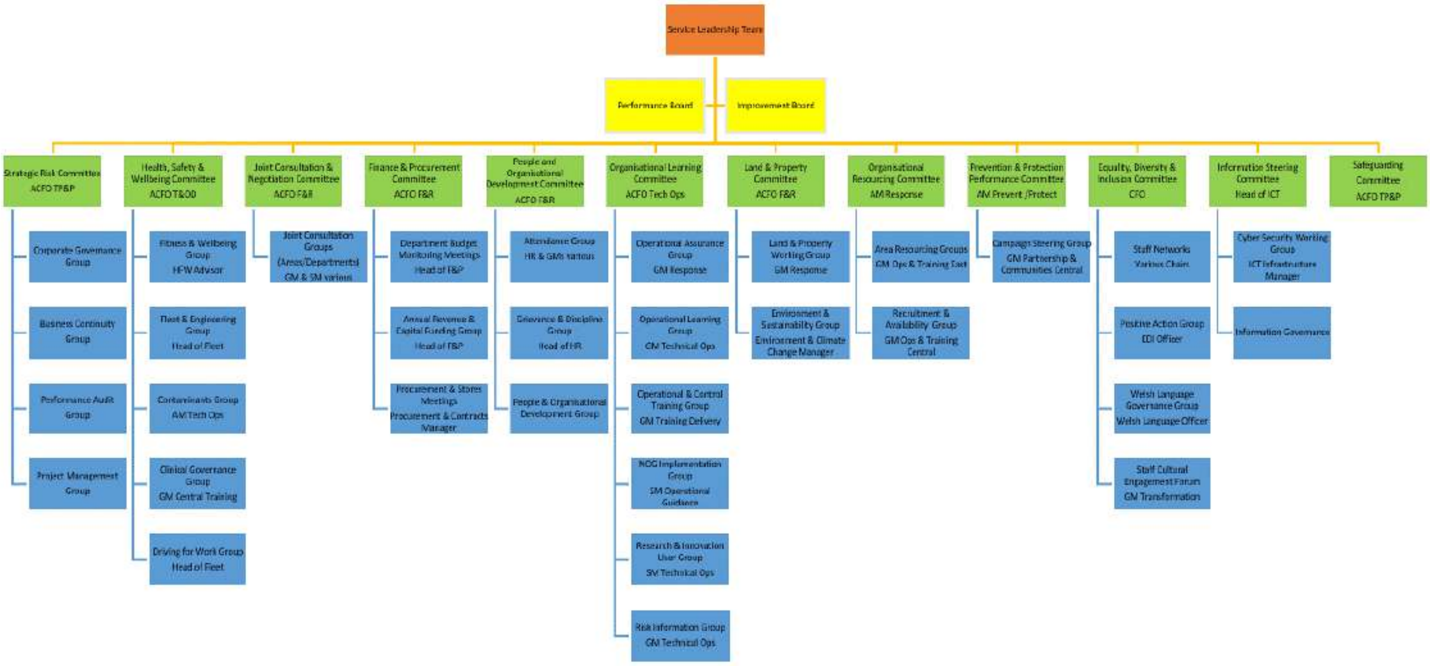


Fig 2. Committees of the Fire and Rescue Authority

The Authority has delegated responsibility for the day to day operation of the Fire and Rescue Service (the Service) to the Chief Fire Officer.

The Chief Fire Officer is supported by The Executive Group comprising the Principal Officers, (Chief and Assistant Chief Fire Officers) which is responsible for strategic leadership.

The Service Leadership Team (SLT), includes the Principal Officers, Area Managers and Heads of Department. It meets as a Performance Board to scrutinise performance, and as an Improvement Board to provide challenge and senior oversight of programmes, projects and policies. The SLT provides organisational leadership and service delivery.

The Service Governance and Assurance Structure of committees and groups, reporting to SLT, are embedded across the organisation, demonstrating robust governance across reporting, monitoring, scrutiny and decision making within all areas of the organisation. During 2025–26, the effectiveness of the existing governance structure was reviewed and enhancements were identified to further strengthen oversight, clarity of accountability and assurance across the organisation.

North Wales Fire and Rescue Service

Chief Fire Officer

Deputy Chief Fire Officer

3 Assistant Chief Fire Officers

Assistant Chief Officer

Service Leadership Team
4 Area Managers and **6** Heads of Department

Fig 3. Service Leadership Team

Key Contributors to Developing and Maintaining the Governance Framework

Constitution	The purpose of the Constitution is to set out in clear language how the Fire Authority works and how it makes decisions
Fire Authority	Provides strategic leadership, democratic accountability and corporate challenge in relation to the provision of fire and rescue services across North Wales, encouraging public participation and conducting its affairs in an open and transparent manner. It agrees the Improvement and Wellbeing Plan, and the revenue and capital budgets.
Executive Panel	Monitors the performance of the Service and makes recommendations to the Authority on its key policies including the Improvement and Wellbeing Plan. The Panel reviews the strategic risk register.
Audit Committee	Provides independent review of the governance, risk management and control frameworks and oversees the financial reporting, including the Treasury Management Strategy and annual accounts.
Standards Committee	Promotes and maintains high standards of conduct by Members of the Authority and oversees the whistle-blowing policy for complaints against Members of the Authority. Also, where statute permits, to receive reports and complaints about Members and to conduct or oversee investigations and make recommendations to the Authority.
Fire Authority Working Groups	Undertake detailed work associated with the Authority's planning and budget-setting process. It submits its observations to the Executive Panel which in turn makes recommendations for improvement/risk reduction/well-being objectives to the Authority.

Service Leadership Team	Sets and leads the implementation of the governance standards across the Service. Receives the annual improvement plan and feeds into the annual self-assessment.
Section 151 Officer	Ensures lawful and financially prudent decision making. Administration of financial affairs. Accountable for developing and maintaining the Fire Authority's governance, risk and control framework. Contributes to the effective corporate management and governance of the Fire Authority
Monitoring Officer	Reports on contraventions of any enactment or rule of law. Reports on any maladministration or injustice where the Local Government Ombudsman has carried out an investigation. Maintains and updates the Constitution. Maintains registers of member interests and gifts and hospitality. Advises Members on the interpretation of the Code of Conduct.
Internal Audit	Provides independent assurance and annual opinion on the adequacy and effectiveness of the Fire Authority's governance, risk management and control framework. Delivers an annual programme of risk-based audit activity, including counter fraud and investigation activity. Makes recommendations for improvements in the management of risk.
External Audit	Provides independent assurance to the Fire Authority on financial reporting, governance arrangements and the use of resources, including an opinion on the annual statement of accounts and value for money conclusion. Undertakes statutory audit activity in accordance with the Auditor General for Wales' Code of Audit Practice, including consideration of the Service's arrangements for securing economy, efficiency and effectiveness. Identifies and reports significant governance, financial or value for money issues, and makes recommendations to support improvement and accountability.

CIPFA Principles - Governance Assurance

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

The Authority's Missions and Values are published within the Community Risk Management Plan (CRMP) and on the Authority's website, providing a shared framework that underpins decision-making, behaviour and organisational culture.

These values are supported by a robust constitutional framework. The Authority's Constitution sets out the roles and responsibilities of the Fire and Rescue Authority, its Committees and Officers, including the Scheme of Delegation to Officers. Compliance with the Constitution is supported by the Monitoring Officer, who provides assurance that decisions are taken appropriately, and legally. Where required, legal advice is sought to inform decision-making and manage legal risk. The Constitution also incorporates the Code of Conduct for Members, which is monitored by the Standards Committee, reinforcing ethical leadership and accountability.

In order to support transparency and prevent conflicts of interest, the declaration of personal and business interests and the recording of gifts and hospitality if required. Registers are maintained and published on the Authority's website as part of each Member's personal profile, enabling public oversight and accountability.

Ethical governance is further reinforced through policies. These include the Whistleblowing Policy, Anti-Fraud, Bribery and Corruption Policy, Financial Regulations and Contract Procedure Rules. Where concerns or irregularities are identified, clear arrangements are in place to ensure that matters are investigated thoroughly and appropriately. The availability of Safecall, an independent, confidential reporting service operating 24/7, supports a culture in which concerns can be raised safely, including anonymously where appropriate.

Alongside formal controls, the Authority seeks to embed ethical values through its people management arrangements. Recruitment, induction and training processes emphasise expected behaviours and alignment with core values.

Equality, diversity and inclusion form a key part of the Authority's ethical framework. Governance oversight is provided through the Equality, Diversity and Inclusion (EDI) Steering Committee, established in 2022, and through a published five year Equality, Diversity and Inclusion Strategy 2024-2029 . Implementation of the Strategy is guided by a detailed annual action plan which is performance managed and reviewed quarterly, and incorporates new EHCR monitoring, providing assurance that equality considerations are embedded into governance and decision making.

The Service also maintains robust arrangements to uphold professional standards and address misconduct. Disciplinary cases and allegations of wrongdoing are managed in accordance with the Service's Discipline policy and procedures, with two dedicated Discipline and Grievance Officers ensuring matters are dealt with promptly, consistently and professionally.

The Authority recognises its responsibilities in relation to the Welsh language as an integral part of ethical and lawful service delivery. Compliance with Welsh Language Standards is demonstrated through the publication of the Welsh Language Standards Monitoring report 2024-25 on the Authority's website. In addition, workforce capability is supported by requirements for all new employees to achieve a minimum of Level 2 Welsh language skills, progressing to Level 3 upon promotion.

Setting and delivering lawful, ethical objectives is supported through the Community Risk Management Plan 2024-29, which sets out the Authority's

Improvement Objectives and Well-being Objectives. The Plan has been subject to public and stakeholder consultation, with the ratified five-year Plan and the 2026-27 Implementation Plan published on the Authority's website. These arrangements ensure compliance with the Local Government (Wales) Measure 2009 and the Well-being of Future Generations (Wales) Act 2015. Alignment with the Well-being of Future Generations Act is further reflected across departmental plans and policies where applicable.

Safeguarding responsibilities are addressed through clear policies and procedures to ensure that vulnerable individuals encountered by the Service are referred appropriately to partner agencies. These arrangements are overseen by a dedicated Safeguarding Manager, providing specialist oversight and assurance.

The Authority has also adopted the Social Partnership Duty, building upon established arrangements with recognised staff representative bodies to support engagement on objectives and strategic decisions. The first Social Partnership Duty Annual Report was approved for publication and submission to the Social Partnership Council in April 2025, providing external assurance of compliance with statutory requirements.

Following the publication of the independent Crest Advisory cultural review in January 2025, the Authority further strengthened its governance arrangements through the establishment of a Culture Board and the appointment of dedicated culture champions. These arrangements support oversight and delivery of agreed cultural improvement actions.

The Authority also recognises the Welsh Government's Fire and Rescue National Framework 2026, including its recommendations in relation to leadership and organisational culture, and these considerations continue to inform the Authority's ongoing governance and assurance framework.

Principle B: Ensuring openness and comprehensive stakeholder engagement.

The Authority is committed to openness, transparency and meaningful engagement as a core part of its governance framework. Authority and Committee meetings are publicly advertised, with agendas and supporting papers published on the Authority's website. Full Authority meetings are webcast, enabling public access to decision-making and scrutiny.

Transparency is further supported through the Authority's Publication Scheme, with information published on the website. Documents are made available in Welsh and English, with Read/Speak versions provided where appropriate to support accessibility and inclusion.

Engagement with stakeholders is embedded within decision-making processes, particularly where significant change is proposed. Public consultation arrangements are in place to invite views prior to the development and implementation of key changes. This included consultation on the objectives contained within the Community Risk Management Implementation Plan 2026-27, which took place between October and December 2025. Consultation responses were reviewed in line with the Gunning Principles to ensure that engagement was meaningful, fair and transparent. A report summarising the feedback received and explaining how it informed the final plan was presented to the Authority. A full Equality Impact Assessment was also completed and, alongside the consultation findings, considered by the Authority prior to approval of the plan.

The Authority has previously been recognised as achieving 'Good Practice' by the Consultation Institute, including for public consultation undertaken in connection with the ongoing Emergency Cover Review. This provides independent assurance regarding the quality and robustness of engagement arrangements.

Openness and engagement are also supported through a wider range of governance and communication arrangements. These include:

- the completion of impact assessments for key decisions,
- a Complaints and Compliments Procedure that provides clear escalation routes for significant matters for external complainants, and a grievance policy and procedure for internal complaints.
- a Public Engagement and Consultation Strategy that guides consistent practice.

The Authority also engages with recognised Employee Representative Bodies through both informal arrangements and formal structures, including the Joint Consultation and Negotiation Committee, with these arrangements further strengthened through the adoption of the Social Partnership Duty.

Regular engagement with staff is also supported through a biennial 'Fire Family' staff survey. In addition, the Authority participates in a range of external networks and forums, including the Welsh Local Government Association, North Wales Equality Leads Forum, Race Council Cymru and the North Wales Inter-Faith Forum.

A broad and inclusive range of engagement methods is used to reach communities, staff and stakeholders. These include directed communications through corporate social media channels, including Facebook and X, alongside locally-managed fire station accounts to support engagement within communities. Stakeholders are able to sign up for email updates on specific issues via the Authority's website. Engagement with children and young people is supported through programmes such as Phoenix, Fire Cadets and school visits, alongside wider community safety engagement with householders and businesses.

Targeted engagement also supports inclusive recruitment and prevention activity. This includes activity coordinated through a Positive Action Group, chaired by the Organisational Development Manager, as well as attendance at open days and community events, such as the Eisteddfod and fire station-led events.

Internal communication is supported through the Weekly Brief electronic newsletter to staff, while external communication campaigns are led by Community Safety Managers.

Through Prevention and Recruitment activities, the Service engages with people of all ages and from diverse backgrounds.

The Authority also recognises the importance of partnership working in supporting openness, shared accountability and effective service delivery. Partnership arrangements are in place across a range of local, regional and national forums, including the All-Wales Joint Emergency Services Group, Local Resilience Forums, the three local Public Services Boards, the Regional Partnership Board, the Strategic Arson Reduction Board, and Local Safeguarding Adults and Children Boards, alongside collaboration with other emergency services.

In line with the Welsh Government's Fire and Rescue National Framework 2026, the Authority recognises the importance of effective collaboration and clear accountability. These principles continue to underpin the Authority's governance framework, engagement arrangements and partnership working.

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits.

The Authority defines its strategic outcomes through a clear and long-term planning framework. The five-year Community Risk Management Plan (CRMP) sets the strategic direction for the Service and identifies Improvement Objectives in line with the Local Government (Wales) Measure 2009, alongside Well-being Objectives in accordance with the Well-being of Future Generations (Wales) Act 2015. Together, these objectives provide a clear statement of the intended economic, social and environmental outcomes to be achieved.

The Authority's policies and decision-making arrangements reflect the sustainable development principle set out in the Well-being of Future Generations (Wales) Act 2015, ensuring that long-term impacts, prevention, integration, collaboration and involvement are considered when setting priorities and determining how services are delivered. All relevant strategies, plans and policies demonstrate alignment with this approach.

In defining and delivering its outcomes, the Authority also has regard to its environmental responsibilities under wider Welsh legislation, including the Environment (Wales) Act 2016. These duties are reflected within governance, planning and assurance arrangements, supporting sustainable management of resources and environmental stewardship.

Financial sustainability underpins the Authority's ability to deliver long-term outcomes. During the year, the Medium-Term Resource Strategy (MTRS) was reviewed and updated for the period 2026–30, supporting long-term financial planning and informing decision-making as part of the Authority's governance and assurance framework. The MTRS, which includes a ten-year Capital Plan, alongside the annual budget-setting process, aims to ensure that financial resources are aligned with the Authority's priorities and intended outcomes.

The Authority also recognises that sustainable outcomes rely on social responsibility, fairness and workforce wellbeing. Mandatory eLearning in relation to the Violence Against Women, Domestic Abuse and Sexual Violence Act continues to be completed by all staff. As a Disability Confident employer, the Service is committed to the recruitment and retention of disabled people and those with health conditions, and it has signed the Armed Forces Covenant supported by an Armed Forces Reserves and Veterans Policy, to ensure fair treatment for those who serve or have served in the armed forces and their families. In addition, the Service pays above the real living wage, supporting fair pay and workforce stability.

Safeguarding arrangements form a further element of the Authority's commitment to social sustainability. Clear safeguarding policies and procedures are in place to ensure that vulnerable people encountered by the Service are referred appropriately to partner agencies. Workforce and public protection is further supported through robust criminal records checking arrangements. Following changes to legislation, Fire and Rescue Authorities are listed in Schedule 1 to the Rehabilitation of Offenders Act 1974 (Exceptions), enabling all employees to be subject to a minimum of a Standard level Disclosure and Barring Service (DBS) check, renewed on a three-year cycle.

To further strengthen Safeguarding arrangements, the authority has implemented an anti-sexual harassment policy, and risk assessments have been conducted for every department. These are monitored by the Safeguarding Manager, working with the HR department.

The Authority also maintains business continuity arrangements to support organisational resilience and service continuity. As part of its statutory duties, business continuity plans are in place across the Service and are reviewed regularly. Ongoing collaboration with the National Fire Chiefs Council supports continuous improvement in planning and consideration of emerging and evolving risks.

To ensure that intended outcomes are assessed holistically, key decisions are supported by an integrated impact assessment. This considers equality, data protection, health, safety and wellbeing, Welsh language, finance, sustainability and workforce implications, alongside the requirements of the Well-being of Future Generations (Wales) Act 2015, the socio-economic duty and anticipated statutory health duties.

Environmental sustainability is further strengthened through the Authority's Environmental Strategy, which sets out clear and measurable performance targets to reduce carbon emissions and other significant environmental impacts. Progress is monitored through governance arrangements, and the Authority reports on its biodiversity duties through regular Biodiversity Reports, providing transparency and assurance on how environmental considerations are addressed within planning and decision-making.

Sustainability considerations are embedded within the Authority's wider governance framework, including the Contract Procedure Rules, which require consideration of social, economic and environmental benefits when undertaking relevant procurement activity, supporting value for money and wider community outcomes.

In line with the Welsh Government's Fire and Rescue National Framework 2026, the Authority recognises the importance of strengthening organisational capability and supporting sustainability and net-zero objectives. These considerations are fully integrated into the Authority's governance, strategic planning and resource allocation arrangements, ensuring that outcomes remain sustainable for current and future generations.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

The Authority uses a combination of consultation, performance management, risk management and governance oversight to ensure that interventions are timely, proportionate and aligned to the achievement of its intended outcomes. Public consultation is undertaken as part of setting the Authority's objectives, including those contained within the Community Risk Management Implementation Plan. This ensures that objectives are informed by stakeholder views and community need before they are finalised and delivered.

Progress against annual objectives is monitored and assessed throughout the year, with a formal assessment of performance published each October. This provides transparency and enables the Authority to evaluate whether outcomes are being achieved or whether further intervention is required.

Risk management forms a core element of the Authority's approach to determining and prioritising intervention. The Strategic Risk Management

Policy sets out the process for identifying and managing risks that may affect the delivery of objectives or activities. Strategic risks are reviewed throughout the year via the Strategic Risk Committee, ensuring that emerging and changing risks are identified, mitigated and escalated appropriately. These arrangements are subject to internal scrutiny and external audit, providing assurance over their effectiveness.

Performance and financial information is subject to structured scrutiny through the Authority's governance arrangements. Following consideration by the Executive Group, performance and financial reports are presented to the Authority and its Committees. A quarterly Performance Monitoring Report is prepared for the Executive Panel, while more detailed operational scrutiny takes place through the Performance Board, where the Service Leadership Team reviews data relating to incident demand, emerging trends and resource availability. These arrangements ensure that issues are identified promptly and that appropriate corrective or mitigating actions are agreed.

Effective intervention is also supported through robust financial governance. Budget planning processes involve Service leads and Authority Members and are designed to align resources with risk-based objectives, while balancing the ongoing costs associated with maintaining estates, vehicles and equipment. The Budget, Monitoring and Procurement Committee provides strategic oversight and governance of these arrangements.

Operational learning and risk mitigation are overseen through the Organisational Learning Committee, which provides governance oversight of National Operational Guidance, National Operational Learning and Joint Organisational Learning. The Committee also oversees the collection and management of Site-Specific Risk Information and monitors activity relating to emerging risks, including work addressing the risk of fire from new technologies through the Battery Energy Storage System (Lithium-Ion) working group.

Recognising the scale and complexity of a number of significant change initiatives, the Service reviewed its approach to programme and project management during the year and identified the need to strengthen Programme and Project Management Office (PMO) arrangements. Plans have been put in place to further develop PMO capability during 2026–27, improving oversight, coordination, reporting and risk management for significant programmes and projects. This includes governance arrangements supporting work such as the review of emergency cover arrangements across North Wales, the review of rota systems, and major system implementation and migration projects.

Health, safety and wellbeing considerations also inform intervention and assurance arrangements. Health and safety incidents are reported, reviewed and monitored to ensure that risks to staff are identified and mitigated, with strategic oversight provided by the Health, Safety and Wellbeing Committee.

In addition, the Authority monitors delivery against shared national commitments. The All Wales Dwelling Fire Response Charter sets out seven high-level commitments relating to the prevention of and response to dwelling fires, with performance reported annually as part of the Authority's Annual Performance Assessment.

In line with the Welsh Government's Fire and Rescue National Framework 2026, the Authority recognises the importance of robust arrangements for identifying, evaluating and responding to risk. Risk management and performance oversight therefore continue to be central to the Authority's governance and decision-making framework, supporting effective intervention and the delivery of intended outcomes.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.

The Authority recognises that effective governance depends on clear leadership, organisational capacity and a skilled workforce. The Authority's Constitution defines the respective roles of elected Members and designated Officers, providing clarity around responsibilities, accountability and objectives. Designated statutory posts include the Chief Fire Officer, Treasurer and Monitoring Officer, ensuring appropriate professional leadership and statutory oversight.

Organisational capacity is further strengthened through regional and national collaboration. The three Welsh fire and rescue services participate in a range of joint arrangements, including the All-Wales Fire Investigation Training Forum, supporting shared learning, professional standards and a consistent approach across Wales.

The Authority has written and implemented the All-Wales FRS People and Organisational Development Strategy 2025–2028, which provides a strategic framework for workforce development and underpins the Authority's commitment to lifelong learning, professional competence and organisational resilience. This strategic approach to people development is complemented by the Authority's recognition of apprenticeship schemes as an important mechanism for building future capacity and capability. During 2025–26, apprentices were recruited into both firefighter and non-operational roles, supporting workforce sustainability, skills development and talent pathways across the organisation.

In recognition of the scale and complexity of longer-term transformation programmes, including the development of firefighter training facilities, the Service has established dedicated project management capacity. This supports effective delivery, governance oversight and organisational learning in relation to significant programmes of change.

Foundational capability is supported through structured induction arrangements for both Members and employees. Induction processes introduce the organisation's core values, expected standards of conduct and role requirements, ensuring a consistent understanding of responsibilities from the outset.

The Authority also recognises the importance of maintaining workforce health and wellbeing as a key element of organisational capacity. Health and wellbeing support is provided through a range of measures, including HR policies and guidance, flexible working arrangements, access to occupational health services and an employee assistance programme. Strategic oversight of these arrangements is provided by People and Organisational Development Committee and the Health, Safety and Wellbeing Committee.

Learning, training and professional competence are supported by a dedicated training department and established competency frameworks for operational staff. Training is delivered through a range of methods, including mandatory e-learning modules for key subject areas such as data protection. Governance oversight of learning and development arrangements is provided by the Organisational Learning Committee, ensuring alignment with national guidance and identified organisational risks.

During the year, the Authority approved a new three-year Training Strategy, which supports the continued development of workforce capability, leadership capacity and organisational competence as part of the Authority's governance and assurance framework. In addition, during 2025–26, the Authority continued to invest in leadership development at all levels of the organisation, with staff participating in nationally recognised supervisory, middle-management and senior leadership programmes. This investment supports leadership capability, management competence and organisational resilience.

Operational leadership capability has also been strengthened through continued development of incident command skills. Staff undertook Gold, Silver and Bronze incident command training, supporting effective leadership, command resilience and safe decision-making at incidents. More broadly, the development needs of employees are identified through an appraisal process, and organisational development is identified through an annual Training Needs Analysis process. The Service delivers structured training aligned to Incident Command Levels 1–4 to support confident, effective command in both operational and strategic contexts.

Professional standards are reinforced through membership of relevant professional bodies and the requirement for ongoing continuing professional development. Promotional processes are aligned to the National Fire Chiefs Council (NFCC) Leadership Framework, supporting consistency, fairness and alignment with national expectations.

The Authority also recognises the value of independent assurance and professional advice in strengthening organisational capability. During 2025–26, this included assurance and advisory support provided by the Mersey Internal Audit Agency (MIAA) to inform improvement activity and support effective governance.

In line with the Welsh Government's Fire and Rescue National Framework 2026, the Authority recognises that effective people management, leadership development and a positive organisational culture are fundamental to good governance. These principles continue to underpin the Authority's approach to workforce planning, learning and organisational development.

Principle F: Managing risks and performance through robust internal control and strong public financial management.

The Authority maintains a comprehensive framework of internal control and assurance to support effective risk management, financial stewardship and decision-making. Statutory responsibility for the proper administration of the Authority's financial affairs rests with the Treasurer, in accordance with Section 151 Local Government Finance Act 1972, while the Monitoring Officer provides assurance that the Authority operates within the law and complies with established policies, procedures and regulatory requirements.

The Strategic Risk Management Policy sets out a structured approach to identifying, assessing and managing risks that may impact on the achievement of objectives. A corporate risk register is maintained by the Corporate Planning Department and reviewed throughout the year by the Strategic Risk Committee to ensure that risks are appropriately monitored, mitigated and escalated where necessary.

Decision-making is supported by comprehensive reporting and assurance arrangements. Reports presented to the Authority and its Committees are accompanied by an integrated impact assessment, enabling Members to consider legal, financial, equality, wellbeing, sustainability and operational implications when making decisions. Business continuity arrangements are also in place to ensure that critical services can continue to be delivered in the event of disruption. These arrangements are reviewed annually to maintain organisational resilience.

Independent scrutiny and assurance form a central part of the Authority's internal control framework. The Audit Committee provides oversight of governance, risk management and internal control arrangements, ensuring that recommendations for improvement arising from Internal Audit, Audit Wales and other external regulators or inspection are considered, agreed and monitored to completion. Members and senior management are also provided with quarterly reports on service improvement and performance against key performance indicators and milestones, supporting transparency and continuous improvement.

Arrangements are in place to maintain registers of Members' personal and business interests and a register of gifts and hospitality. These are published on the Authority's website as part of each Member's personal profile. Policies covering Anti-Fraud and Corruption and Whistleblowing further reinforce the Authority's commitment to operating in a fair, open and transparent manner. The Authority's Contract Procedure Rules form a key component of the internal control framework and support lawful, transparent and accountable procurement activity. During the year, further work was undertaken to strengthen compliance with procurement requirements and to embed fair working and partnership principles, including alignment with the Social Partnership Duty, as part of the Authority's wider governance and assurance arrangements.

Information governance arrangements support the secure and lawful handling of data. Policies in place include the Data Protection Policy, Freedom of Information Policy, Data Retention Policy and Communications and Information Security Policy. These arrangements are supported by staff training, including mandatory data protection e-learning for all employees, and by formally agreed information-sharing protocols with partner organisations.

Financial management arrangements support both the delivery of services and the implementation of transformational change, while ensuring sound stewardship of public resources. A financial update is presented at each Authority meeting, with reports made publicly available on the Authority's website to support transparency.

Internal Audit services are provided by the Mersey Internal Audit Agency (MIAA), which delivers a programme of risk-based audit activity approved by the Audit Committee. The outcomes of Internal Audit work undertaken during 2025–26, including audits relating to asset management, have informed the Authority's assessment of the effectiveness of its governance, risk management and internal control arrangements. The Head of Internal Audit provides an annual independent opinion on the adequacy and effectiveness of these arrangements, which is a key source of assurance for the Authority. For the financial year 2025-26, the Head of Internal Audit opinion statement determined that "Substantial assurance can be given that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently". A full copy of the Head of Internal Audit's opinion will be published on the Authority's website.

External assurance is provided by Audit Wales through a programme of financial and performance audit activity. This includes the audit of the Authority's Statements of Accounts, work relating to compliance with the Local Government (Wales) Measure 2009, reviews undertaken under the Well-being of Future Generations (Wales) Act 2015, and assessment of the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources. The findings from this work are reported to Members and inform the Authority's ongoing governance, performance and improvement arrangements. Treasury Management arrangements are operated in accordance with professional practice and are subject to annual Member review. The Authority's Statements of Accounts and performance against key areas of risk and priority are subject to independent external audit and scrutiny.

In line with the Welsh Government's Fire and Rescue National Framework 2026, the Authority recognises the importance of effective processes for identifying and evaluating risk. Risk management therefore continues to be a central element of the Authority's governance, internal control and assurance arrangements.

During 2025-26, Audit Wales also completed a review of the Authority's financial sustainability arrangements. The review recognised that the Authority had a clear understanding of its financial position and a relatively strong reserves position, whilst identifying opportunities to further strengthen medium and longer-term financial planning, the strategic use of reserves, financial reporting to Members, and clarity of financial oversight arrangements. The Authority has considered the findings and recommendations arising from this review and incorporated appropriate actions within its ongoing governance and improvement planning arrangements

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability.

The Authority is committed to transparency, effective scrutiny and continuous improvement, supported by robust reporting and assurance arrangements. As part of this commitment, North Wales Fire and Rescue Service, working jointly with Mid and West Wales Fire and Rescue Service, appointed Crest Advisory to undertake an independent cultural review. This followed the Welsh Government's acceptance, in March 2024, of a proposal from both Services to better understand progress in improving organisational culture.

The proposal formed the basis of a written statement by the then Deputy Minister for Social Partnership, Hannah Blythyn MS.

Crest Advisory conducted the review and published its findings report in February 2025, identifying 32 recommendations to support cultural improvement. In response, and throughout 2025–26, the Authority strengthened its governance and assurance arrangements through the establishment of a dedicated Culture Board. Chaired by the Chief Fire Officer, the Board brings together Authority Members, senior officers, culture champions and external representation from Welsh Government. The Chair of the Fire and Rescue Authority and the Service's Equality, Diversity and Inclusion Lead are members of the Board. These arrangements provide structured scrutiny, external challenge and assurance over the delivery of agreed cultural improvement actions. A strategic improvement plan has been developed and published, setting out how the recommendations will be implemented and monitored.

More broadly, the Authority, with the support of the Monitoring Officer, undertakes regular review of the adequacy and effectiveness of its governance arrangements and internal control environment. Fire and Rescue Authority meetings are held in public, with agendas and minutes published on the Authority's website. Full Authority meetings are webcast, supporting openness and public access to decision-making and scrutiny. Reports presented to the Authority follow a structured format, ensuring that key information is presented clearly and consistently to support informed decision-making.

The Authority complies with the requirements of the Freedom of Information Act 2000, publishing information in accordance with its publication scheme and responding appropriately to requests from members of the public. Transparency of planning and performance is further supported through publication of the Community Risk Management Plan, which sets out the Authority's Improvement and Well-being Objectives and is subject to review by Audit Wales in connection with the issue of a Certificate of Compliance.

Financial transparency and accountability are supported through the timely production and publication of the Annual Statement of Accounts. The accounts are presented in a clear, user-friendly format, providing transparent information on income, expenditure and the stewardship of public funds, and are submitted for audit in line with statutory deadlines. The Authority also publishes an Annual Pay Policy Statement in accordance with the Localism Act 2011, and Members' salaries are paid and reported in line with determinations made by the Independent Remuneration Panel for Wales.

Arrangements are in place to ensure transparency in relation to interests and relationships. Members and senior officers are required to declare relevant interests in accordance with the Code of Practice on Local Authority Accounting in the UK. These declarations support the identification and disclosure of related party transactions where required.

The Authority provides external transparency through regular reporting to Welsh Government. Reports are submitted each January and July detailing matters relating to discipline, grievance and external complaints, including cases of alleged misconduct or gross misconduct where behaviours may raise concerns about organisational culture and values.

The Annual Governance Statement itself plays a key role in accountability, providing a transparent account of the Authority's governance arrangements, the review of governance effectiveness and planned governance improvement actions for the year ahead.

Independent assurance is provided through both external and internal audit. The Auditor General for Wales, appointed by statute, provides an opinion on the Authority's Statement of Accounts, which is published on the Authority's website. The Authority responds to audit recommendations and takes corrective action where required. Internal Audit operates on a risk-based approach, providing assurance that key risks and controls are being effectively managed. Following a review of internal arrangements, a new Internal Audit provider was appointed in June 2023 to further strengthen assurance arrangements. Processes are also in place to ensure that recommendations arising from inspection and regulatory bodies are tracked and implemented.

In line with the Welsh Government's Fire and Rescue National Framework 2026, the Authority recognises the importance of strong accountability, effective collaboration and robust scrutiny. These principles continue to underpin the Authority's approach to transparency, reporting and assurance, supporting public confidence and good governance.

Conclusion

During the year, the Authority has reviewed the effectiveness of its governance arrangements in line with the principles set out in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government, including the requirements and expectations set out in the May 2025 addendum. This review has considered the operation of the Authority's governance framework, risk management and internal control arrangements, alongside assurance derived from internal and external audit, performance reporting, regulatory activity and ministerial engagement.

The review has drawn on a wide range of sources of assurance, including the work of the Audit Committee, the outcomes of Internal Audit delivered by the Mersey Internal Audit Agency, external assurance provided by Audit Wales, performance and risk reporting to Members, and findings arising from independent reviews, including the Crest Advisory cultural review. Thei Authority has also taken account of compliance with statutory duties, including those relating to finance, governance, consultation, equality, Welsh language standards and social partnership.

Based on this review, the Authority has concluded that it has an effective framework of governance, risk management and internal control in place which is operating as intended and supporting the delivery of its objectives. The arrangements described within this Annual Governance Statement demonstrate that the Authority continues to behave with integrity, remains open and accountable, manages risk and performance appropriately, and provides effective leadership and oversight.

The review has also identified areas where governance arrangements could be further strengthened. In particular, during 2025–26 the Authority recognised the need to enhance governance and assurance arrangements in relation to organisational culture and the oversight of significant programmes and projects. In response, the Authority has taken proactive steps to strengthen arrangements, including the establishment of a Culture Board following the independent Crest Advisory review, and the planned further development of programme and project management governance during 2026–27.

The Authority is satisfied that these actions represent proportionate and appropriate responses and has set out clear improvement actions to further strengthen governance and assurance arrangements. These actions will be monitored through existing governance mechanisms, including the Service Leadership Team, the Audit Committee and the Authority itself, and progress will be reported as part of the Authority's ongoing performance and assurance framework.

Taking all of this into account, the Authority considers that the governance arrangements in place during the year were effective, and that appropriate plans are in place to address identified areas for improvement and to continue to enhance governance arrangements in line with good practice and national expectations.

How the Authority addressed its 2025/26 Governance Improvement Actions.

Governance Improvement Area	Planned Action	Forum	Responsibility	Progress as at April 2026
Efficacy of Prevention activities	Consider the findings and recommendations arising from Audit Wales review of Prevention.	Fire and Rescue Authority	Head of Prevention and Protection	During 2025-26, the Authority responded to the Audit Wales review of prevention activity by strengthening governance, oversight and assurance, and progressing a shift towards a more targeted, data-led and risk-informed prevention model, supported by enhanced performance reporting and national collaboration.
Setting of Wellbeing Objectives	Consider the findings and recommendations arising from Audit Wales review of well-being objective setting.	SLT Improvement Board	Head of Planning, Performance and Transformation	During 2025-26, the Authority strengthened its approach to setting well-being objectives by improving alignment with partner activity, enhancing involvement and equality considerations, and embedding objectives more clearly within corporate, financial and performance management frameworks. Further work will focus on making partnership contributions and outcome-based performance measures more explicit in future planning and reporting cycles.
Strategic Risk Management	Implement the recommendations from the Internal Audit review of Core Controls of Risk Management.	SLT Improvement Board	Head of Planning, Performance and Transformation	A revisit by Mersey Internal Audit Agency during 2025-26 found the Service made progress in strengthening its risk management framework, including approval of a Risk Management Strategy, clearer roles and responsibilities, enhanced training provision and improved governance arrangements. Further work is planned with a clear programme of actions in place, being progressed through established governance arrangements.

Organisational Culture	Respond to the recommendations of the CREST independent cultural review through staff and Fire and Rescue Authority engagement, culminating in the publication of an improvement plan.	Fire and Rescue Authority	Chief Fire Officer	During 2025-26, a Culture Action Plan was developed in response to the Crest Advisory review and is being implemented through strengthened governance, with progress subject to regular review and reporting via established internal and external oversight arrangements.
Efficacy of Response to Domestic Dwelling Fires	Respond to recommendations in the Chief Fire Advisor and Inspector for Wales' "Inspection of the North Wales Fire and Rescue Service to consider the effectiveness of its response to domestic dwelling fires".	Fire and Rescue Authority	Head of Planning, Performance and Transformation	During 2025/26, governance of all CFRAIW thematic reviews was strengthened through the establishment of a dedicated oversight group, with clear reporting lines, a consolidated action plan, and enhanced all-Wales collaboration to support consistent implementation and improvement.
Supplier verification and Anti-fraud guidance	Respond to recommendations by the Internal Auditor in relation to Key financial processing controls 2024/25 including	Finance and Procurement Committee	Head of Finance	Supplier verification procedures have been strengthened, including enhanced checks before supplier set-up and update. Anti-fraud guidance has been updated, with an e-learning package now live and communicated to relevant finance and procurement staff.

	implementing Supplier Verification, Anti-Fraud Guidance and Regular Reviews of Bank Mandates.			A programme of periodic reviews of supplier bank details has been introduced to reduce fraud risk. Bank mandate has been updated.

The Authority's Governance Improvement Actions 2026/27

Governance Improvement Area	Planned Action	Forum	Responsibility	For completion by
Alignment with emerging Welsh Government requirements	Prepare for potential future changes to Fire and Rescue Authority governance arrangements, aligned to emerging Welsh Government policy and guidance, including the Written Statement on the Governance of Fire and Rescue Services.	Fire and Rescue Authority	Chief Fire Officer and Clerk to the Fire Authority	31st March 2027
Implementation of Fire and Rescue national framework 2026	Prepare for potential changes arising from the Fire and Rescue National Framework 2026, ensuring governance, planning and assurance arrangements remain aligned with emerging requirements.	Fire and Rescue Authority	Head of Planning, Performance and Transformation	31st March 2027
National Inspection expectations	Maintain organisational readiness for potential inspection activity, including reviewing governance, performance management and assurance arrangements against emerging Welsh Government and national inspection expectations.	Fire and rescue Authority	Head of Planning, Performance and Transformation	31st March 2027
Contaminants	Prepare for the Health and Safety Executive (HSE) inspection on contaminants, including reviewing and strengthening relevant controls, assurance and governance arrangements.	Health, Safety and Wellbeing committee	Head of Technical Operations	31st March 2027
Equality, Diversity and Inclusion	Strengthen governance and assurance arrangements for equality, diversity, inclusion and human rights, ensuring continued compliance with statutory duties and readiness for external scrutiny and inspection.	Equality, Diversity and Inclusion committee	Chief Fire Officer	31st March 2027

Fire safety and Building Safety (Wales) act.	Prepare for and respond to changes in fire safety and building safety legislation, including the implementation of the Building Safety (Wales) Act, ensuring protection, governance and assurance arrangements remain effective and aligned.	Prevention, Protection and Performance Committee	Head of Prevention and Protection	31st March 2027
Project & Programme Management	To continue to strengthen governance, oversight and internal controls in relation to programme and project management, ensuring effective assurance, reporting and delivery of key change initiatives.	Strategic Risk Committee	Head of Planning, Performance and Transformation	31st March 2027

Compliance with the Financial Management Code

The CIPFA Financial Management Code (CIPFA FM Code) is designed to support good practice in financial management and to assist the Authority in demonstrating their financial sustainability. The CIPFA FM Code therefore sets the standards of financial management for the Authority.

The Code is based on a series of principles supported by specific standards and statements of practice which are considered necessary to provide the strong foundation to:

- Financially manage the short, medium- and long-term finances of the Authority
- Manage financial resilience to meet foreseen demands on services
- Financially manage unexpected shocks in their financial circumstances.

Each Authority must demonstrate that the requirements of the Code are being satisfied.

As Section 151 Officer I have the Statutory Responsibility (supported by the Service Leadership Team and Members of the Authority) for ensuring compliance with the CIPFA FM Code.

I have carried out a full assessment of compliance with the CIPFA FM Code as part of the annual review of the Annual Governance Statement and I can confirm that in my opinion the Authority is compliant with the code in the majority of areas.

Signed ______________________________ (Section 151 Officer) 2026

Governance Opinion and Conclusion

The Authority recognises that good governance provides the foundation for the delivery of good quality services that meet the needs of stakeholders and ensures that public money is well spent. This review confirms the governance systems and monitoring in place for 2025-26 and the steps taken to ensure that they are working effectively.

The Authority is satisfied that appropriate governance arrangements are in place and remains committed to enhancing these through the implementation of the action plan for 2026-27.

Signed	______________________	(Authority Chair) 2026
Signed	______________________	(Chief Fire Officer) 2026

Awdurdod Tân ac Achub Gogledd Cymru
North Wales Fire and Rescue Authority

Mae'r ddogfen yma ar gael yn Gymraeg **Agenda Item 6**

Report to	**Audit Committee**
Date	**21 September 2026**
Lead Officer	**Helen MacArthur, ACFO**
Contact Officer	**Elgan Roberts, Head of Finance and Procurement**
Subject	**Annual Statement of Accounts 2025/26**

PURPOSE OF REPORT

1 To present the audited Statement of Accounts for 2025/26 and the Audit Wales ISA 260 Audit of Accounts Report for review and approval, following the delegation provided by the Fire and Rescue Authority on 20 July 2026. The report also presents the findings of the Auditor General for Wales, who intends to issue an unqualified audit opinion.

EXECUTIVE SUMMARY

2 The draft Statement of Accounts were submitted to Audit Wales on 28 May 2026. Audit Wales completed its audit and intends to issue an unqualified audit opinion following approval of the accounts and signing of the Letter of Representation.

3 On 20 July 2026, the Fire and Rescue Authority delegated authority to the Audit Committee and Executive Panel to approve the final audited Statement of Accounts following completion of the external audit process.

4 The Audit Wales ISA 260 report is attached at Appendix 2. A small number of disclosure and presentational amendments have been incorporated into the final Statement of Accounts, together with one uncorrected misstatement (£90k) relating to the timing of expenditure recognition. Audit Wales has not identified any significant governance or financial reporting concerns.

5 Under the revised arrangements agreed by Welsh Government, the audited Statement of Accounts must be approved by 30 September 2026.

RECOMMENDATIONS

6 It is recommended that Members:

i) Note the audited outturn position and performance as detailed within the 2025/26 Statement of Accounts (Appendix 1);
ii) Note the report of the Auditor General for Wales which confirms an unqualified audit opinion (Appendix 2);
iii) Endorse the proposed letter of representation (Appendix 2); and
iv) Confirm the recommendation of approval of the final audited 2025/26 Statement of Accounts.

CONSIDERATION BY OTHER COMMITTEES

7 The unaudited Statement of Accounts for 2025/26 was presented to the Audit Committee and Executive Panel on 15 June 2026 and to the Fire and Rescue Authority on 20 July 2026. The Fire and Rescue Authority subsequently delegated authority to approve the final audited accounts to the Executive Panel, following scrutiny by the Audit Committee. This delegation is conditional on there not being any material amendments arising from the audit process.

BACKGROUND

8 The Accounts and Audit (Wales) Regulations 2014 require the Authority to prepare and publish a statement of accounts on an annual basis. The pre-Covid timescales prescribed within the Regulations require a draft statement of accounts to be issued by 31 May, with an audit deadline of 31 July each year.

9 The Welsh Government, following consultation with the Society of Welsh Treasurers and Audit Wales, confirmed that the draft statement of accounts for 2025/26 should be prepared no later than 30 June 2026, and that the statement of accounts should be audited by the 30 September 2026.

10 The draft Statement of Accounts were certified by the Authority's Treasurer on 28 May 2026 and presented to Audit Wales. The draft statement of accounts have been subject to external audit and appendix 1 contain the final audited version.

INFORMATION

AUDIT OF THE FINANCIAL STATEMENTS

11 The Auditor General for Wales is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial performance and position of the Authority for the year ended 31 March 2026.

12 In performing the audit work, Audit Wales does not seek to provide absolute assurance but considers whether there are any material issues which may result in a reader of the accounts being misled. When an error or misstatement is identified Audit Wales will consider whether an amendment is required.

13 The Auditor General for Wales intends to issue an unqualified audit opinion, confirming that the financial statements present a true and fair view of the Authority's financial position and have been properly prepared in accordance with the relevant legislative and accounting standards. The full audit report is included at Appendix 2, and the following matters are highlighted.

14 During the audit of the 2025/26 Statement of Accounts, Audit Wales identified a small number of amendments which were agreed with management and incorporated into the final Statement of Accounts. Details of these amendments are set out in the accompanying Audit Wales ISA 260 report.

15 One uncorrected misstatement was identified during the audit, relating to prepayment of invoices totalling £90k that should have been charged to 2025/26, although the expenditure will be incurred in 2026/27. This is not considered to be a material misstatement.

16 Matters raised by the audit team were addressed and resolved in collaboration with officers, resulting in a set of financial statements that fully comply with the applicable accounting standards.

IMPLICATIONS

Wellbeing Objectives	This report links to the Authority's long-term well-being objectives. Funding for North Wales Fire and Rescue Service (the Service) benefits the communities of North Wales and ensures there is sufficient investment in infrastructure to enable the service to provide emergency responses and prevention work well in to the future.
Budget	Budget is set annually in accordance with the proposed service delivery which includes emergency response and prevention work.
Legal	It is a legal requirement that the Authority produces the Statement of Accounts in accordance with the prescribed standards.
Staffing	Effective financial management supports the long-term workforce strategy to ensure that the Authority can discharge its responsibilities.
Equalities/ Human Rights/Welsh Language	None
Risks and Uncertainties	Income and expenditure are closely monitored to ensure that deviations from the approved budget are properly identified and reported to Members.

Archwilio Cymru
Audit Wales

Audit of Accounts Report – North Wales Fire and Rescue Authority

Audit year: 2025-26

Date issued: September 2026

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For further information, or if you require any of our publications in an alternative format and/or language, please contact us by telephone on 029 2032 0500, or email info@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Introduction

Catherine Mealing-Jones

Auditor General for Wales

As the newly appointed Auditor General for Wales, I am pleased to share my Audit of Accounts Report. The Report summarises the main findings from my audit of your 2025-26 annual report and accounts. My team have already discussed these findings with the Head of Finance and Procurement.

My team have substantially completed the audit work as set out in my Audit Plan dated June 2026. The remaining tasks involve continuous planning and review.

Since my Audit Plan, I have updated materiality to reflect the 2025-26 accounts. I have not identified any new audit risks. My response to previously identified risks is set out in **Appendix 1**.

I am required to provide an opinion on whether the accounts have been properly prepared, and give a true and fair view, in all material respects. My proposed audit opinion and basis for it is outlined on page 8.

It is the responsibility of those charged with governance, i.e. the Authority to address any matters raised in my report and provide me with a Letter of Representation.

I would like to extend my gratitude to the officers and staff of North Wales FRA for their cooperation throughout the audit process which has been invaluable in completing this audit effectively.

Your audit at a glance

We intend to issue an **unqualified opinion** on the accounts

See Appendix 3

There are no **other significant matters** to report

See Audit findings

There are **uncorrected misstatements** in the accounts which we wish to draw to your attention.

See Audit findings

We have raised **One recommendation** as a result of our work

See Appendix 5

Subject to no further material issues being identified. We are aiming to certify your accounts ahead of the deadline of **30 September 2026**.

Materiality

I use professional judgement to set a materiality threshold to identify and correct misstatements that could affect users' decisions, considering both financial errors and disclosure requirements according to the applicable accounting framework and laws. My team updates materiality throughout the audit and I include in this report matters that exceed my reporting threshold, as set out below:

Materiality

Set at 2% of gross expenditure based upon 2025-26 draft financial statements

North Wales FRA
£1,061,000

Fire Fighter Pension Fund
£284,000

Reporting threshold (trivial)

Set at 5% of materiality

North Wales FRA
£53,000

Fire Fighter Pension Fund
£14,000

There are some areas of the accounts that may be of more importance to the user of the accounts. We confirm lower materiality levels for these:

Senior Officer Remuneration Disclosures

£1,000

Related party disclosures

£10,000

Audit Findings

Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

Uncorrected misstatements

We set out below the misstatements we identified in the accounts, which have been discussed with management but remain uncorrected. We request that these misstatements be corrected.

If you decide not to correct these misstatements, we ask that you provide us with the reasons in writing for not correcting them:

- £89,000 of impairment of assets was posted to the CIES rather than against the Revaluation Reserve. Correcting this would increase the surplus and reduce the Revaluation Reserve balance. Due to the nature of this transaction, this does not impact upon the General Fund.
- £85,000 of expenditure was incorrectly treated as a prepayment at year-end. Correcting this would reduce the balance of debtors and increase expenditure in 2025-26.

Corrected misstatements

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention.

These are set out in **Appendix 2**.

Other significant issues

International Standard on Auditing 260 requires us to communicate with those charged with governance. We must tell you significant findings from the audit and other matters if they are significant to your oversight of North Wales FRA's financial reporting process.

There were no such issues identified during the audit.

Proposed audit opinion

Audit opinion

We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation (see below).

Our proposed audit report is set out in **Appendix 3**.

Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is required by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 4,** the contents of which are in line with our standard request for representations

Recommendations

We have made a recommendation during the audit, which is set out in **Appendix 5** along with management's response to the recommendation.

We will monitor progress against the recommendations during next year's audit.

Audit team and ethical compliance

The main members of my team who carried out the audit work, together with their contact details, are summarised in **Exhibit 1**.

Exhibit 1: My local audit team

Engagement Lead	Kate Havard Kate.Havard@audit.wales
Audit Manager	Carwyn Rees Carwyn.Rees@audit.wales
Audit Lead	Kieran Vickery Kieran.Vickery@audit.wales

Compliance with ethical standards

We confirm that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been compromised; and
- we have no relationships that could undermine our independence or objectivity.

Appendix 1 – Audit risks and outcomes

My Audit Plan set out the risks of material misstatement for the audit of North Wales FRA's accounts. **Exhibit 2** lists these audit risks and sets out how they were addressed as part of the audit. No additional audit risks have been identified since that need to be brought to your attention.

Exhibit 2: Audit risks reported previously, work done and outcome

Audit risk	Work done	Outcome
Risk of management override The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	The audit team: • tested the appropriateness of journal entries and other adjustments made in preparing the financial statements; • reviewed accounting estimates for bias. • Considered if there were any transactions outside of the normal course of business	Audit work did not identify any instances of management override of controls.

Valuation of pension fund net liability/surplus The pension fund liability estimates are based on assumptions and as a result there is a high level of uncertainty in the calculations. The calculation is also sensitive to economic conditions and the impact of legal cases.	The audit team: • Evaluated the actuary's instructions, competence, and the accuracy of the information provided. • Tested the accuracy of the pension fund net liability and disclosures in the financial statements. • Assessed the reasonableness of assumptions and the impact of any legal cases on the net liability.	Audit work did not identify any issues with the valuation of pension fund net liability/surplus.
Valuation of land and buildings The value of land and buildings in the balance sheet is subjective and can change significantly due to economic conditions and revaluation requirements.	The audit team: • assessed the work undertaken by the authority to determine that asset values are not materially misstated.	Audit work did not identify any issues with the valuation of land and buildings.
Senior officer remuneration Remuneration paid to senior officers continues to be of high interest and is material by nature. Therefore, there is a risk that even low-value errors in the disclosure could result in a material misstatement.	The audit team: • Understood the movements in the senior management team during 2025-26. • Verified that amounts paid are consistent with evidence and were in accordance with the approved pay policy.	Audit work did not identify any issues with the disclosure of senior officer remuneration.

Related party disclosures There is an increased risk of material misstatement because these disclosures are of significant public interest and are considered material by nature.	The audit team: • Reviewed the Authority's process for identifying related party relationships and associated transactions and balances. • Undertook procedures to confirm the completeness of related party relationships. • Ensured disclosures are complete, accurate, consistent with evidence, and in accordance with the Local Government Code.	Audit work did not identify any issues with Related Party disclosures.

Appendix 2 – Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention.

Value of correction	Accounts area	Explanation
£2,192,000	**Note 11 – Classification of Disposals** Reclassification of movement in depreciation to show value of assets that have been disposed. There is no net impact on CIES or Balance Sheet.	To accurately disclose the historic depreciation of assets that have been disposed during the year.
£850,000	**Note 11 – Classification of Impairments** Reclassification of Impairments due to expenditure that does not impact the valuation due to presided valuation methods. There is no net impact on CIES or Balance Sheet.	To accurately disclose the movements on assets during the year
£177,000 - £2,133,000	**Note 30 – Defined Benefit Pension Scheme** Various reclassifications between lines within the note. There is no net impact on CIES or Balance Sheet.	To accurately reflect movements in pension balances in line with actuarial findings.

Appendix 3 – Proposed audit report

The report of the Auditor General for Wales to the members of North Wales Fire and Rescue Authority

Opinion on financial statements

I have audited the financial statements of:

- North Wales Fire and Rescue Authority;
- North Wales Fire and Rescue Authority Firefighters' Pension Fund

for the year ended 31 March 2026 under the Public Audit (Wales) Act 2004.

North Wales Fire and Rescue Authority financial statements comprise the Expenditure and Funding Analysis, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement and the related notes, including the material accounting policies.

The Firefighters' Pension Fund Accounts comprise the Fund Account and Net Assets Statement and related notes including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of North Wales Fire and Rescue Authority and North Wales Fire and Rescue Authority Firefighters' Pension Fund as at 31 March 2026 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of financial statements and regularity of public sector bodies in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the North Wales Fire and Rescue Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the North Wales Fire and Rescue Authority and the Firefighters' Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report or accompanying it. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26;
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of North Wales Fire and Rescue Authority and the Firefighters' Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit.
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts included in the Statement, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the North Wales Fire and Rescue Authority and the Firefighters' Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by North Wales Fire and Rescue Authority and North Wales Fire and Rescue Authority Firefighters' Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with section 13(2) of the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to North Wales Fire & Rescue Authority and the North Wales Fire & Rescue Authority Firefighters' Pension Fund's policies and procedures concerned with:

  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals.
- Obtaining an understanding of North Wales Fire & Rescue Authority and the North Wales Fire & Rescue Authority Firefighters' Pension Fund's framework of authority as well as other legal and regulatory frameworks that North Wales Fire & Rescue Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of North Wales Fire & Rescue Authority and the North Wales Fire & Rescue Authority Firefighters' Pension Fund.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Authority about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the North Wales Fire and Rescue Authority and Firefighters' Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of North Wales Fire and Rescue Authority and the Firefighters' Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Signature	1 Capital Quarter
Auditor General for Wales	Tyndall Street
Date	Cardiff, CF10 4BZ

Appendix 4 – Letter of representation

[Audited body's letterhead]

Auditor General for Wales
Wales Audit Office
1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

[date]

Representations regarding the 2025-26 financial statements

This letter is provided in connection with your audit of the financial statements of North Wales Fire and Rescue Authority for the year ended 31 March 2026, for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and Code of Practice on Local Authority Accounting in the United Kingdom 2025-26; in particular the financial statements give a true and fair view in accordance therewith;
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects North Wales Fire and Rescue Authority and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware;

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of these items is set out below:

- £89,000 of impairment of assets was posted to the CIES rather than against the Revaluation Reserve. Correcting this would increase the surplus and reduce the Revaluation Reserve balance. Due to the nature of this transaction, this does not impact upon the General Fund.
- £85,000 of expenditure was incorrectly treated as a prepayment at year-end. Correcting this would reduce the balance of debtors and increase expenditure in 2025-26.

Representations by those charged with governance

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by North Wales Fire and Rescue Authority on 21 September 2026.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:	Signed by:
Officer who signs on behalf of management	Member who signs on behalf of those charged with governance
Date:	Date:

Appendix 5 – Recommendation

1. Inventory Management of Fleet Items

The Authority's Technology One software includes an inventory module, which is used for their main stores inventory. This allows automatic calculations of issue prices and valuation of items remaining in stock at the year-end, based on invoices received and issues processed. This is not used for fleet inventory currently, which is maintained by a spreadsheet.

In the testing of issues of fleet inventory, it was identified that some fleet items were being issued at a price which was not consistent with the Authority's accounting policy of 'first in, first out' (FIFO). Whilst this had a trivial impact upon the accounts for 2025-26, it is recommended that the process for inventory management for fleet items is incorporated into the Technology One system to ensure that issue prices and closing inventory values are accurately recorded.

Priority:

Medium

Accepted in full by management:

Yes

Management response:

The Service will review the suitability and efficiency of transitioning fleet inventory management into the TechnologyOne inventory module. The review will be completed by December 2026 to enable full integration by March 2027, where appropriate. If full integration is not considered the most effective solution, an alternative process will be implemented to ensure inventory issues and stock valuations are calculated consistently in line with the Authority's FIFO accounting policy.

Implementation date:

March 2027

Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and Wales and our Chair of the Board acts as a link to our Board on audit quality. For more information see our latest audit quality report.

Our People

- Selection of right team
- Use of specialists
- Supervisions and review

Arrangements for achieving audit quality Selection of right team

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

Independent assurance

- EQRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

Supporting you

Audit Wales has a range of resources to support the scrutiny of Welsh public bodies, and to support them in continuing to improve the services they provide to the people of Wales.

Visit our website to find:

Our publications which cover our audit work at public bodies.

Information on our upcoming work and forward work programme for performance audit.

Data tools to help you better understand public spending trends.

Details of our Good Practice work and events including the sharing of emerging practice and insights from our audit work.

Our newsletter which provides you with regular updates on our public service audit work, good practice, and events.

Audit Wales

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E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Mae'r ddogfen yma ar gael yn Gymraeg **Agenda Item 7**

Report to	**Audit Committee**
Date	**21 September 2026**
Lead Officer	**Helen MacArthur, Assistant Chief Fire Officer, Finance and Resources**
Contact Officer	**Angharad Ellis (MIAA)**
Subject	**Quarterly Internal Audit Progress Report 2026/27**

PURPOSE OF REPORT

1 The purpose of this report is to provide Members with an update of the work undertaken by North Wales Fire and Rescue Authority's (the Authority) internal audit providers, MIAA, for the 2026/27 financial year to 31st August 2026.

EXECUTIVE SUMMARY

2 The Authority is required to put arrangements in place for the audit of systems of control. MIAA are the appointed internal auditors, and its work is governed by the Global Internal Audit Standards as applicable to the public sector.

3 The report contained within Appendix 1 provides an overview of the work undertaken during the 2026/27 financial year against the agreed internal audit plan.

4 The report contained within Appendix 2 provides an update of the progress made in implementing the agreed recommendations arising from previous reports.

RECOMMENDATIONS

5 It is recommended that Members:

- **i) Note the work undertaken by MIAA during 2026/27; and**
- **ii) Note the progress made in implementing the agreed recommendations.**

BACKGROUND

6 The Accounts and Audit (Wales) Regulations 2014 (the Regulations) require the Authority to make proper and effective arrangements for systems of internal control. This includes the arrangements for the management of risk and adequate and effective financial management.

7 The Regulations also require an adequate and effective internal audit of the systems of internal control, the findings of which must be reported to Members of the Authority. The Authority is required to approve the Statement of Internal Control annually.

INFORMATION

8 The report contained within Appendix 1 provides an overview of the work undertaken during 2026/27 against the approved annual plan.

9 The report contained in Appendix 2 provides an update on the progress of implementing the recommendations from previous reports.

IMPLICATIONS

Wellbeing Objectives	The operation of financial systems that are properly controlled supports the delivery of the well-being objectives and longer-term sustainability of services.
Budget	Assurance on the existence and operation of internal controls supports the effective budget setting process.
Legal	An effective internal audit arrangement is a requirement of the Accounts and Audit (Wales) 2014 Regulations
Staffing	The review of key financial systems including payroll provide assurance that controls are present an that payments are in accordance with agreed policies and procedures.
Equalities/ Human Rights/ Welsh Language	The engagement lead with MIAA is bi-lingual and reports will be subject to normal translation processes.
Risks	The internal audit of core financial processes supports the effective identification and management of risks.

Internal Audit Progress Report

Audit Committee (September 2026)

North Wales Fire and Rescue Service

miaa

Contents

1 Introduction

2 Key Messages for Audit Committee Attention

Appendix A: Contract Performance

Appendix B: Performance Indicators

Appendix C: Key Areas and Actions to be Delivered

Appendix D: Assurance Definitions and Risk Classifications

Global Internal Audit Standards (UK public sector)

Our work was completed in accordance with Global Internal Audit Standards (UK public sector).

Executive Summary

This report provides an update to the Audit Committee in respect of the progress made against the Internal Audit Plan for 2026/27 and brings to your attention matters relevant to your responsibilities as members of the Audit Committee.

This progress report provides a summary of Internal Audit activity and complies with the requirements of the Global Internal Audit Standards (UK public sector).

Comprehensive reports detailing findings, recommendations and agreed actions are provided to the organisation, and are included within the Audit Committee papers. In addition, a consolidated follow up position is reported on a periodic basis to the Audit Committee.

This progress report covers the period 1st June to 31st August 2026.

3 Executive Summary

2026/27 Audit Reviews
The following reviews have been finalised: • Partnerships and Collaboration (Moderate Assurance) Overall, we found that there was an adequate system of internal control in place however, in some areas weaknesses in design and/or inconsistent application of controls were identified. The Service has formal contracts in place for the Cartrefi Conwy and OP ATAL partnerships and that these were found to be in alignment with the corporate priorities outlined within the Service's Community Risk Management Plan 2026/27. One high risk recommendation has been raised in relation to the assurance received by the Fire Authority. The reporting arrangements in place should be enhanced to include performance against the specific targets/trajectories outlined in the partnership agreements and assurance should be provided over the effectiveness of the partnership working. Refer to Appendix C for details of Key Areas and Actions to be Delivered

Follow Up
A summary of the current status of all follow-up activity is included as a separate report.

Audit Plan Changes

Audit Committee approval will be requested for any amendments to the original plan and highlighted separately below to facilitate the monitoring process.

There are no current proposals to amend the approved audit plan.

Investors in People (IIP) Gold Accreditation

We are delighted to share that MIAA has been awarded Investors in People (IIP) Gold accreditation for the third consecutive time.

This is a fantastic achievement and recognition of MIAA's culture. Gold accreditation is awarded to organisations that don't just have great people practices in place, but where those practices are consistently experienced and valued by colleagues across the organisation.

Added Value

Briefings

Our latest briefings/blogs/podcasts are:

- Andrew Bowdler Blog: Ambient Voice Technology
- Claire Hammill Blog: The Value Equation

Events

- Developing Tomorrow's Leaders (18th September 2026): This session will explore the importance of effective leadership succession in today's evolving organisational landscape, highlighting what good practice looks like in action.

Appendix A: Contract Performance

The Global Internal Audit Standards (UK public sector) state that 'In the UK public sector, a chief audit executive must prepare such an overall conclusion at least annually in support of wider governance reporting, mindful of any specific sector obligations or processes. This overall conclusion must encompass governance, risk management and control.'

The table summarises the delivery of your Head of Internal Audit Opinion for 2026/27:

HOIA Opinion Area	TOR Agreed	Status	Assurance Level	Audit Committee Reporting
Risk Management – Core Controls		Q4 delivery		June 2027
Partnerships and Collaboration	✓	Completed	Moderate	September 2026
Key Financial Controls		Q3 delivery		March 2027
National Fraud Initiative		Q3 delivery		March 2027
Recruitment and Promotion Processes		Q3 delivery		March 2027
AI Governance		Q3 delivery		March 2027
Follow Up				
Q1	N/A	Completed	N/A	June 2026
Q2	N/A	Completed	N/A	September 2026
Q4	N/A	Q4 delivery		June 2027

Appendix B: Performance Indicators

The primary measure of your internal auditor's performance is the outputs deriving from work undertaken. The following provides performance indicator information to support the Committee in assessing the performance of Internal Audit.

Element	Reporting Regularity	Status	Summary
Delivery of the Head of Internal Audit Opinion (Progress against Plan)	Each Audit Committee	Green	No issues to report
Issue a Client Satisfaction Questionnaire following completion of every audit.	Every Final report includes a questionnaire for client feedback	Green	
Percentage of recommendations raised which are agreed	Each Audit Committee	Green	
Percentage of recommendations which are implemented	Follow Up will be reported twice per year	Green	
Qualified Staff	Annual	Green	MIAA have a highly qualified and diverse workforce which includes 65% qualified staff. The Senior Team delivering the Internal Audit Service to NWFRS are CCAB/IIA qualified.
Quality	Annual	Green	MIAA operate systems to ISO Quality Standards. MIAA conforms with the Global Internal Audit Standards (UK public sector).

Appendix C: Key Areas from our Work and Actions to be Delivered

Report Title	**Partnerships and Collaboration**			
Executive Sponsor	Assistant Chief Fire Officer			
Assurance Level	Moderate			
Objective	To evaluate the effectiveness of the systems to govern, and performance manage collaboration and partnership arrangements, to assure value for money.			
Recommendations	0 x Critical	1 x High	4 x Medium	1 x Low
Summary	• The Service (NWFRS) has a Service Agreement in place with Cartrefi Conwy that runs from the 1st April 2024 and 31st March 2027, which had been signed by both parties upon commencement of the contract. • A review of the Service Agreement identified that roles and responsibilities of the Home Safety Support Worker (job description and key objectives 2024-2027 included in the appendix) were clearly defined along with the remuneration and payment terms. • Appendix 2 of the Service Agreement set out the required outcomes for monitoring against along with required timescales for monitoring. • A Fire Core Group has been established to provide oversight of fire safety for Cartrefi Conwy. We were provided with an extract of the Fire Core Group minutes for meetings held in April and February 2026 directly from Cartrefi Conwy which confirmed attendance by both the Service and representatives of Cartrefi Conwy. • We identified that activity in relation to Cartrefi Conwy has been reported at the Fire Core Group meetings which covered the number of safe and well checks carried out, referrals received, number of incidents and an overview of training provided.			

	• The Service has a Memorandum of Understanding (MOU) in place for the OP ATAL contract (dated April 2025) which covered the period up to the end of 2024 (or until the current funding ended). We noted that funding has not yet ceased, therefore the MOU still applied at the time of the audit and was under review. • Walkthrough testing confirmed that a letter had been received in March 2025 from Welsh Government confirming award of funding in relation to OP ATAL for the financial year 2025/26. A further email was received from the Police Liaison Officer for Gwent Police (who is the seconded lead for the partnership) in February 2026 stating that the funding had been agreed until the end of December 2026. • Our review of the MOU identified that roles and responsibilities of all parties have been defined along with the required resources from each of the areas including NWFRS. • Schedule 2 in the funding letter 2025/26 detailed specific targets to be monitored against and the financial commitments involved in the partnership. • During our review we were informed that several groups run by Welsh Government meet to monitor the OP ATAL partnership e.g. All Wales Road Safety meeting and the Wales Roads Policing Regional Strategic Group. • MIAA were provided with an email directly from Welsh Government to confirm that Go Safe Quarterly review meetings have been held (All Wales meeting) to discuss progress against the grant objectives (as outlined in Schedule 2 of the funding letter 25/26). We were provided with an example from 2025/26 which covered Quarters 1-3 all of which had been rated green by Welsh Government. • Our review identified that the overall processes documented within the Service Agreement/MOU for both contracts have been generally operating in practice. However, some areas for enhancement have been identified *(See Recommendation 3).*

	• Our review of the Service's Community Risk Management Plan 2026/27 approved by the Fire Authority in April 2026 found that partnership activity in relation to Cartrefi Conwy and OP ATAL aligned to the corporate priorities. • A review of the quarterly Prevention and Protection Performance Committee meeting papers and minutes from October 2025 to April 2026 identified that a Prevention update report has been provided at each meeting. This provides an update on the overall departments objectives and provides an overview on performance and activity e.g. number of safe and well checks carried out, actions taken to support the most vulnerable to fires in their home, OP ATAL figures (including number of driver engagements and traffic offences reported). • A Terms of Reference was found to be in place for the Prevention and Protection Performance Committee (dated September 2025) which reflected that the Prevention update report against the departments objectives was a standing agenda item and that one role of the committee was to ensure the Service has strategic, effective and collaborative working partnerships that meet the strategic needs of the Service. • A review of the Quarterly Performance Monitoring reports provided to the Executive Panel and subsequently to the Fire Authority during 2025/26 found that performance and activity in relation to Cartrefi Conwy and OP ATAL have been reported as part of the quarterly report. The report provides an update on indicators such as the number of safe and well checks undertaken in the quarter, number of roadside presentations and number of fines provided to drivers. • The Quarter 4 2025/26 Performance Monitoring report also provided an annual summary of the activity undertaken during the year, that was reported to the Executive Panel in May 2026 and was due to go to the FRA meeting in July 2026. It was noted that the report stated that the team continued to work in partnership with North Wales Police in educating drivers on the "Fatal 5" as well as number of roadside presentations delivered, and number of drivers issued with driving related prosecutions.
Key Areas Agreed for Action	• The Prevention update report that has been reported quarterly to the Prevention and Protection Performance Committee does not provide assurance on the effectiveness of the collaboration

	agreements in place. A review of the Quarterly Performance Monitoring reports during 2025/26 found that performance and activity in relation to the Cartrefi Conwy and OP ATAL contracts have been reported. However, the reports do not provide assurance on the effectiveness of the collaboration agreement with Cartrefi Conwy. In relation to OP ATAL, the Quarter 4 2025/26 Performance Monitoring report (that was reported to the Executive Panel on 28th May 2026 and is due to go to the Fire Authority on 20th July 2026) stated that the team continued to work in partnership with North Wales Police in educating drivers. However, the performance reported has not been measured against the specific targets/trajectories as outlined in the partnership agreements. (High Risk) • Cartrefi Conwy - we were required to request the Fire Core Group meeting papers directly from Cartrefi Conwy. A Terms of Reference was found to be in place for the Fire Core Group however this was not dated. OP ATAL - we were only provided with some evidence of the various meetings in place for the partnership e.g. All Wales Road Safety meeting, Wales Roads Policing Regional Strategic Group. Due to the complexity of the partnership, we could not confirm the governance and reporting arrangements in place that oversees the partnership. Our review of meeting minutes we had been provided with during the review evidenced discussion around specific interactions between the partners (e.g. training, incidents, actions taken to support the most vulnerable, actions around the Fatal 5 to target the most at risk) where areas for development had been identified. However, we could not confirm that there has been a formal assessment of the overall effectiveness of the collaboration arrangements, with input from the partners, in respect of outcomes and lessons learned. (Medium Risk) • Cartrefi Conwy - A review of Fire Core Group minutes confirmed that partnership activity is reported such as the number of Safe and Well Checks undertaken, number of referrals, incidents and an overview of training provided. However, all objectives listed in the contract in Appendix 2 have not been specifically captured, monitored and reported against. OP ATAL - MIAA liaised directly with Welsh Government in relation to the Go Safe Quarterly review meetings. MIAA were received an email from Welsh Government to confirm that meetings have been held to discuss progress against the grant objectives (as outlined in Schedule 2 of the funding letter 2025/26).

	We were provided with an example from 2025/26 which covered quarters 1-3 all of which had been rated as green by Welsh Government. (Medium Risk) • During the review we identified that the OP ATAL contract has been extended until the end of December 2026 and at the time of the review the Service was unsure whether this would be extended again. A risk associated with the extension of the OP ATAL contract has not been included on the risk register. (Medium Risk) • The Service is in the process of implementing a Contract Repository on the TechOne system to support the end-to-end process from contracting to invoicing including monitoring of contract particulars e.g. contract expiry dates, renewal periods. (Medium Risk) • The copy of the OP ATAL MOU provided during the review was found to have been signed by the Welsh Government and NWFRS, however it was noted that it had not been signed off by all parties. (Low Risk)

Appendix D: Assurance Definitions and Risk Classifications

Level of Assurance	Description
High	There is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are consistently applied in all areas reviewed.
Substantial	There is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.
Moderate	There is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some aspects of the system objectives at risk.
Limited	There is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls puts the achievement of the system objectives at risk.
No	There is an inadequate system of internal control as weaknesses in control, and/or consistent non-compliance with controls could/has resulted in failure to achieve the system objectives.

Risk Rating	Assessment Rationale
Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation's objectives in relation to: • the efficient and effective use of resources • the safeguarding of assets • the preparation of reliable financial and operational information • compliance with laws and regulations.
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.
Medium	Control weakness that: • has a low impact on the achievement of the key system, function or process objectives; • has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
Low	Control weakness that does not impact upon the achievement of key system, function or process objectives; however implementation of the recommendation would improve overall control.

Limitations

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Reports prepared by MIAA are prepared for your sole use and no responsibility is taken by MIAA or the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose and a person who is not a party to the agreement for the provision of Internal Audit and shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.

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Recommendations Follow Up Assignment Report 2026/27

North Wales Fire & Rescue Service

September 2026

Contents

1 Executive Summary

2 Summary of Findings

Appendix A: Assurance Definitions and Risk Classifications

Appendix B: Report Distribution

MIAA would like to thank all staff for their co-operation and assistance in completing this review.

This report has been prepared as commissioned by the organisation and is for your sole use. If you have any queries regarding this review, please contact the Engagement Manager. To discuss any other issues then please contact the Director.

1 Executive Summary

A key part of the work undertaken by MIAA as your internal auditors involves us making recommendations to improve and strengthen governance, risk management and controls to support the organisation in achieving its objectives. To verify that the benefits of the recommendations are achieved, it is necessary to subsequently follow up on implementation of agreed actions, in order to fully assess:

- Whether implementation has occurred or been superseded by further events; and
- Whether the actions have produced the intended effect.

Follow-up is, therefore, a vital aspect of the internal audit process and it is our policy, in accordance with the Internal Audit plan, to revisit previous assignments.

The table overleaf sets out the areas and recommendations which have been reviewed this time and the level of progress which has been made. Our review confirms that good progress has been made in implementing recommendations.

2 Summary of Findings

The table below sets out the areas and recommendations which have been reviewed this time and the level of progress which has been made.

Audit Report	Total No. of Recs to be followed up	Implemented	Partial				Not Implemented				Superseded/ Not Accepted				Not yet Followed Up				Comments
			C	H	M	L	C	H	M	L	C	H	M	L	C	H	M	L	
2023/24																			
Cyber Organisational Controls Review	6	-	-	1	5	-	-	-	-	-	-	-	-	-	-	-	-	-	6 recommendations have been partially implemented in relation to the following actions: • Incident management and response and threat reporting ***(High)*** • Embedding cyber security, developing a positive cyber security culture and growing cyber expertise ***(Medium)*** • Third party/partner management ***(Medium)*** • Identifying cyber assets ***(Medium)*** • Cyber security regime ***(Medium)*** • Cyber security measures ***(Medium)***

Audit Report	Total No. of Recs to be followed up	Implemented	Partial				Not Implemented				Superseded/ Not Accepted				Not yet Followed Up				Comments
			C	H	M	L	C	H	M	L	C	H	M	L	C	H	M	L	
																			Revised implementation dates – End of September 2026 Responsible Officer – Head of ICT
2024/25																			
Training Strategy Implementation Plan	4	3	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1 recommendation has been partially implemented in relation to the following action: • Reporting Arrangements ***(Medium)*** Revised implementation dates – October 2026 Responsible Officer – Head of Training and Development
2025/26																			
Equipment Asset Management	8	2	-	-	4	1	-	-	-	-	-	-	-	-	-	1	-	-	2 recommendations have now been implemented. 5 recommendations have been partially implemented in relation to the following actions: • Lifecycle and Replacement Monitoring ***(Medium)****;*

Audit Report	Total No. of Recs to be followed up	Implemented	Partial				Not Implemented				Superseded/ Not Accepted				Not yet Followed Up				Comments
			C	H	M	L	C	H	M	L	C	H	M	L	C	H	M	L	
																			• Governance Reporting ***(Medium)***; • Policies, Procedures and Strategy ***(Medium)***; • Training ***(Medium)***; • Repairs and Disposals ***(Low)***. Revised implementation dates – April 2027 Responsible Officer – Area Manager Technical Operations and Fleet The implementation due date for 1 recommendation (High Risk) in relation to Asset Tracking System has not yet passed (April 2027).
Business Planning	5	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2 recommendations have now been implemented. 1 recommendation has been partially implemented in relation to the following action: • Staff appraisals ***(Medium)*** Revised implementation dates – April 2027

Audit Report	Total No. of Recs to be followed up	Implemented	Partial				Not Implemented				Superseded/ Not Accepted				Not yet Followed Up				Comments
			C	H	M	L	C	H	M	L	C	H	M	L	C	H	M	L	
																			Responsible Officer – Head of Finance and Procurement The implementation due date for the remaining recommendation (Medium Risk) in relation post evaluation implementation has not yet passed (November 2026).
Key Financial Transactional Processing Controls	4	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	3 recommendations have now been implemented. The implementation due date for 1 recommendation (Low Risk) in relation Standard Operating Procedures (SOPs) has not yet passed (End of September 2026).
Risk Management Core Controls	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	2	1	All implementation due dates have not yet passed (End of September 2026).
TOTAL	31	11	-	1	10	1	-	-	-	-	-	-	-	-	-	2	4	2	

Appendix A: Assurance Definitions and Risk Classifications

Level of Assurance	Description
High	There is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are consistently applied in all areas reviewed.
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Moderate	There is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some aspects of the system objectives at risk.
Limited	There is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls puts the achievement of the system objectives at risk.
No	There is an inadequate system of internal control as weaknesses in control, and/or consistent non- compliance with controls could/has resulted in failure to achieve the system objectives.

Risk Rating	Assessment Rationale
Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation’s objectives in relation to: • the efficient and effective use of resources • the safeguarding of assets • the preparation of reliable financial and operational information • compliance with laws and regulations.
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significantimpact on the achievement of the overall organisation objectives.
Medium	Control weakness that: • has a low impact on the achievement of the key system, function or process objectives; • has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
Low	Control weakness that does not impact upon the achievement of key system, function or process objectives; however implementation of the recommendation would improve overall control.

Appendix B: Report Distribution

Name	Title
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Audit Committee	

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Limitations

Reports prepared by MIAA are prepared for your sole use and no responsibility is taken by MIAA or the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose and a person who is not a party to the agreement for the provision of Internal Audit and shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.

Global Internal Audit Standards (UK Public Sector)

Our work was completed in accordance with *Global Internal Audit Standards (UK public sector)*.

Mae'r ddogfen hon ar gael yn Gymraeg **Agenda Item 8**

Report to	**Audit Committee**
Date	**21 September 2026**
Lead Officer	**Helen MacArthur, Assistant Chief Fire Officer**
Contact Officer	**Elgan Roberts, Head of Finance and Procurement**
Subject	**Treasury Management Report Q1 2026/27**

PURPOSE OF REPORT

1 The purpose of this report is to provide Members of the North Wales Fire and Rescue Authority (the Authority) with an update on the treasury management activity and compliance with the treasury management prudential indicators for the period 1 April 2026 – 30 June 2026.

EXECUTIVE SUMMARY

2 In December 2003, the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice (2021)* (the CIPFA Code) which requires the Authority to approve, as a minimum, treasury management semi-annual and annual outturn reports.

3 The CIPFA Code also included a new requirement for quarterly reporting of the treasury management indicators from April 2023. The non-treasury prudential indicators are incorporated in the Authority's normal revenue and capital monitoring report.

4 The Authority's treasury management strategy for 2026/27 was approved at a meeting on 20 April 2026. As the Authority borrows and invests significant sums of money there are financial risks that need to be considered, including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

5 During the year, the Authority's borrowing and investments remained well within the limits originally set. There were no new defaults by banks in which the Authority deposited money.

RECOMMENDATIONS

6 Members are asked to:

i) note the treasury management activities and prudential indicators for the period 1 April 2026 to 30 June 2026.

EXTERNAL CONTEXT

7 The main story for the quarter was the continuation of the Middle East conflict, started on 28th February with strikes by Israel and the US on Iran. The conflict led to the closure of the Hormuz Strait, a waterway through which around 20% of the world's oil and liquified natural gas flows, resulting in sharp rises in energy and other commodity prices.

8 The UK headline CPI decreased over the quarter, from an annual rate of 3.3% in March to 2.8% in May, but still well above the Bank of England's 2% target. The core measure of CPI inflation also decreased, from 3.1% to 2.6% over the same period. Upside pressure in inflation generally reflected fuel prices, but many other categories experienced disinflation, providing some evidence that higher energy prices were not immediately feeding into a wider subset of products.

9 Having been expected to cut Bank Rate from 3.75%, the Bank of England's Monetary Policy Committee (MPC) instead held Bank Rate steady throughout the quarter.

10 Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate remain at 3.75%, and that the Bank of England would focus on the spare capacity in the economy, notably the labour market, rather than the upside risk of persistent inflation. The balance of risks over the near term, however, is deemed to be to the upside as signs of second round inflationary effects will prompt policymakers to raise interest rates. Over the medium term, the balance of risk for Bank Rate shifts to the downside, with tighter monetary policy, higher prices and weaker growth presenting downside risks for inflation.

LOCAL CONTEXT

11 On 31 March 2026, the Authority had net borrowing of £15.76m arising from capital expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.03.26 Actual £m	30.06.26 Actual £m
General Fund CFR	31.75	30.33
External borrowing	-15.76	-15.19
Internal borrowing	**15.99**	**15.14**
Less: Balance sheet resources	-18.61	-18.61
Less: New Investments	2.62	3.47
New borrowing	**0.00**	**0.00**

12 Table 1 confirms that the Authority's net borrowings were below the Capital Financing Requirement (CFR). The treasury management position at 30 June and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.26 Balance	Movement	30.06.26 Balance	30.06.26 Rate
	£m	£m	£m	%
Long-term borrowing	11.68	1.20	12.87	2.81 - 4.86
Short-term borrowing	4.08	-1.77	2.31	2.81 – 4.86
Total borrowing	**15.76**	**-0.57**	**15.19**	
Short-term investments	0.00	-1.00	-1.00	
Cash and cash equivalents	-2.62	0.15	-2.47	3.00 - 3.51
Total investments	**-2.62**	**-0.85**	**-3.47**	
Net borrowing	**13.14**	**-1.42**	**11.72**	

BORROWING STRATEGY AND ACTIVITY

13 As outlined in the treasury strategy, the Authority's main objective when borrowing has been to adopt a low-risk strategy balancing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

14 The PWLB certainty rate for 5-year maturity loans was 5.16% at the beginning of the period and 5.07% at the end. The lowest available 5-year maturity certainty rate was 5.04% and the highest was 5.49%. In contrast rates for 20-year maturity loans ranged from 6.02% to 6.50% during the period, and 50-year maturity loans from 5.89% to 6.35%. After coming down from a characteristic spike seen around financial year end, the cost of short-term borrowing from other local authorities has remained a little above Base Rate, at between 4.0% and 4.5%, throughout the period.

15 CIPFA's 2021 Prudential Code outlines that local authorities must not borrow to invest with the primary objective being financial return. It is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement requiring new borrowing, unless directly and primarily related to the functions of the Authority.

16 The Authority has not invested in assets for financial return, and all expenditure is related to the discharge of the Authority's functions.

17 As of 30th June 2026, the Authority held £15.19m of loans, a decrease of £0.57m compared to 31st March 2026. A summary of outstanding loans as of 30th June provided in Table 3A below.

Table 3A: Borrowing Position

	31.3.26 Balance £m	Net Movement £m	30.06.26 Balance £m	30.06.26 Weighted Average Rate %	30.06.26 Weighted Average Maturity (years)
Public Works Loan Board	13.76	1.430	15.186	4.260	8.960
Local authorities (short-term)	2.00	-2.000	0.000	6.350	0.000
Total borrowing	**15.76**	**-0.57**	**15.186**		

18 The Authority took out a £2M in March 26 repayable in April 26. It took out a further loan of £1.5m in June 26 repayable in Dec 2028. A LA loan of £2m will be taken out in July 26 repayable March 27. All other short-term loans are held with the PWLB. Further borrowing will be required in the year 2026/27.

Table 3B: Long-dated Loans borrowed

	Amount £m	Rate %	Period (Years)
PWLB Maturity Loan	2.00	4.80	26
PWLB EIP Loan	0.55	3.09	11
PWLB EIP Loan	0.30	2.81	1
PWLB EIP Loan	0.40	4.31	2
PWLB EIP Loan	3.89	3.91	15
PWLB EIP Loan	1.40	4.61	4
PWLB EIP Loan	0.90	4.80	9
PWLB EIP Loan	0.86	4.58	7
PWLB EIP Loan	1.38	4.80	12
PWLB EIP Loan	1.20	4.86	2
Total borrowing	**12.87**		

19 The Authority's borrowing decisions are not predicated on any one outcome for interest rates and seeks to maintain a balanced portfolio of short- and long-term borrowing.

TREASURY MANAGEMENT INVESTMENT ACTIVITY

20 The CIPFA Treasury Management Code now defines treasury management investments as those investments which arise from the Authority's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

21 The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the period, the Authority's investment balances ranged between £0.526 and £6.287m. The investment position is shown in Table 4 below.

Table 4: Treasury Investment Position

	31.3.26		**30.06.26**	**30.06.26**	**30.06.26**
	Balance	**Net Movement**	**Balance**	**Income Return**	**Weighted Average Maturity**
	£m	**£m**	**£m**	**%**	**days**
Banks & building societies	2.62	-0.15	2.47	3.00-3.51	On call
BOS Fixed Term		1.00	1.00	4.04	22
Central Government					
Total investments	**2.62**	**0.85**	**3.47**		

22 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

23 As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term borrower, and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments.

24 Bank Rate was held at 3.75%. Short term interest rates have largely followed these levels. The rates on DMADF deposits ranged between 3.70% and 3.73% and money market rates between 3.51% and 4.04%.

COMPLIANCE

25 All treasury management activities undertaken during the year complied with the principles in the Treasury Management Code and the Authority's approved Treasury Management Strategy. North Wales Fire and Rescue Service (the Service) hold two call accounts that are used to place short term deposits, with Lloyds Bank and Barclays Bank. The interest rates being offered on treasury deposits tend to be more favourable; however, deposits were held with Lloyd and Barclays during the period due to the liquidity requirement for purchasing the land for the new training centre.

26 The authority also utilises its Debt Management Office (DMO) account, as the Treasury Management Strategy allows for unlimited funds to be placed with the DMO.

27 Compliance with specific investment limits is demonstrated in Table 5 below.

Table 5: Investment Limits

Institution	Description	Limit	30.06.26 Actual	Complied? Yes/No
Banks	All UK banks and their subsidiaries that have good ratings (Fitch or equivalent). This is currently defined as long term (BBB)	£5m	**£3.47m**	yes
Central Government	Debt Management Office (DMO)	Unlimited	**0**	yes
Money Market Funds (MMF)	Only in conjunction with advice for Arlingclose	£1m per fund	**0**	yes
Local Authorities	All except those subject to limitation of council tax and precepts under Part 1 of the Local Government Finance Act 1992	£2m	**0**	yes
Building Societies	Building societies with a rating (as for the banking sector)	£2m	**0**	yes
Building Societies (Assets £1bn)	Building societies without a rating but with assets of £1billion or more	£2m/9 months	**0**	yes

28 Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in Table 6 below.

Table 6: Debt and the Authorised Limit and Operational Boundary

	30.06.26 Actual £m	**2026/27 Operational Boundary £m**	**2026/27 Authorised Limit £m**	**Complied?**
Borrowing	15.19	36.12	38.12	Yes
Total debt	**15.19**	**36.12**	**38.12**	

29 Since the operational boundary is a management tool for in-year monitoring there may be occasions when actual borrowing exceeds this target. This may be due to variations in cash flow and short-term breaches would not count as a compliance failure.

TREASURY MANAGEMENT PRUDENTIAL INDICATORS

30 As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

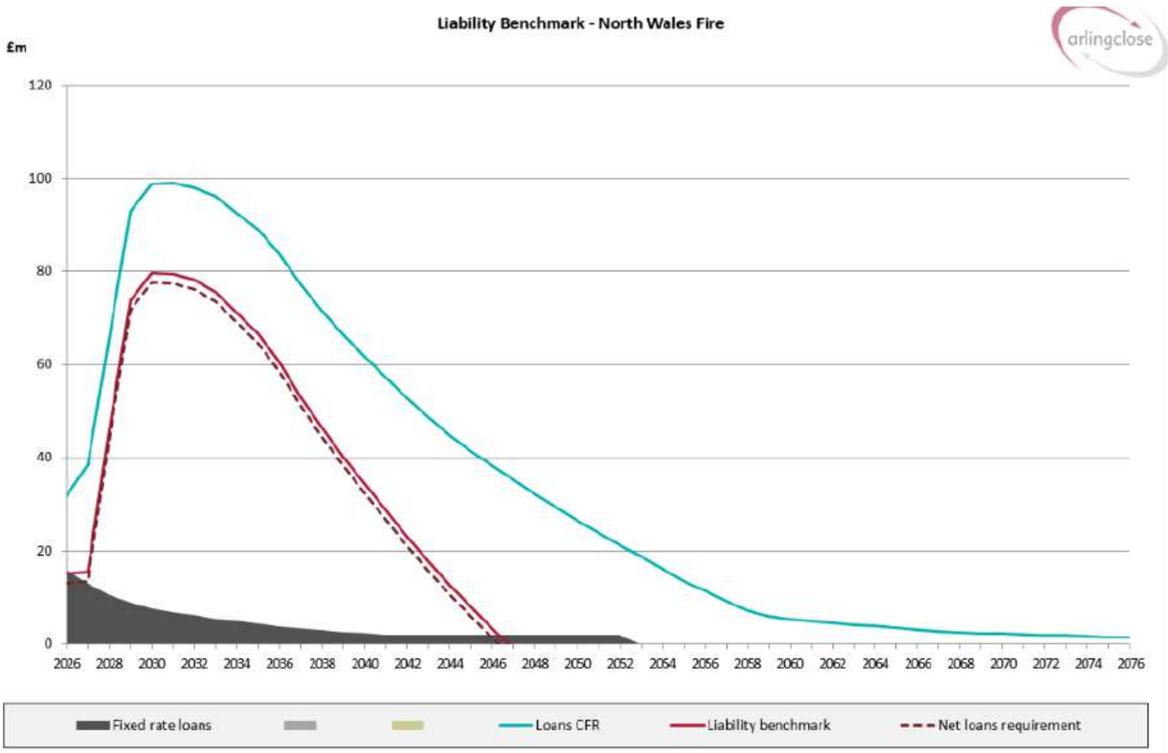
Liability Benchmark

31 This new indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Authority is likely to be a long-term borrower or long-term investor in the future and so shape its strategic focus and decision making.

32 The indicator represents an estimate of the cumulative amount of external borrowing the Authority must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £2.0m required to manage day-to-day cash flow.

	31.03.26 Actual £m	30.06.26 Actual £m	31.03.27 Forecast £m	31.03.28 Forecast £m
Loans CFR	31.75	30.33	38.60	65.60
Less: Balance sheet resources	-18.61	-18.61	-25.20	-21.70
Net loans requirement	13.14	11.72	13.40	43.90
Plus: Liquidity allowance	2.00	2.00	2.00	2.00
Liability benchmark	**15.14**	**13.72**	**15.40**	**45.90**
Existing borrowing	**-15.76**	**-15.19**	**-12.90**	**-10.50**

33 Following on from the medium-term forecast above, the long-term liability benchmark assumes cumulative capital expenditure funded by borrowing of £22.0m in 2026/27, £29.4m in 2027/28 and £33.3m in 2028/29. Minimum revenue provision on new capital expenditure based on the asset life for the class of asset and income, expenditure and reserves all increasing by inflation of 2.5% a year. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing.



34 The graph shows that the Authority is expecting to need to borrow in future years. The Authority will always have a borrowing requirement as it does not hold significant cash or reserves and only has limited access to capital grant funding.

35 The blue line represents the need to fund capital expenditure through borrowing (the Capital Financing Requirement or CFR). The red lines represent the need to fund capital expenditure through borrowing once reserves and working capital surplus' (or deficits) have been taken into account – this is actually the real need to borrow which CIPFA have defined

as being the Liability Benchmark. The dashed red line represents the position at year end and the solid line represents the average mid-year position. The grey shaded areas show actual loans. When the grey area falls below the red lines this infers a borrowing need.

Maturity Structure of Borrowing

36 This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	31.03.26 Actual	Actual Limit	Upper Limit	Lower Limit	Complied Y/N
<12 months	2.31	15.21%	60.00%	0.00%	Y
12 months and <24 months	2.38	15.67%	45.00%	0.00%	Y
24 months and < 5 years	3.66	24.09%	45.00%	0.00%	Y
5 years and <10 years	3.48	22.91%	75.00%	0.00%	Y
>10 years	3.36	22.12%	100.00%	0.00%	Y

37 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Long-term Treasury Management Investments

38 The Authority does not hold any long-term treasury investments.

Proportion of Financing Costs to Net Revenue Stream

39 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and Minimum Revenue Provision are charged to revenue.

40 The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2025/26 actual	2026/27 budget	2027/28 budget	2028/29 budget
Financing costs (£m)	4.906	4.501	5.200	5.900
Proportion of net revenue stream	9.64%	8.16%	9.2%	10.0%

IMPLICATIONS

Wellbeing Objectives	Effective treasury management underpins the Authority's long-term well-being objectives by ensuring that capital investment in stations, fleet and training infrastructure is affordable, prudent and sustainable. Maintaining compliance with the CIPFA Treasury Management Code supports financial resilience, enabling the Authority to continue delivering emergency response and prevention services over the medium and long term.
Budget	Effective treasury management underpins the Authority's long-term well-being objectives by ensuring that capital investment in stations, fleet and training infrastructure is affordable, prudent and sustainable. Maintaining compliance with the CIPFA Treasury Management Code supports financial resilience, enabling the Authority to continue delivering emergency response and prevention services over the medium and long term.
Legal	All borrowing and investment activity complied with the statutory framework and the requirements of the CIPFA Treasury Management Code and Prudential Code.
Staffing	No direct staffing implications arising from this report.
Equalities/Human Rights/Welsh Language	There are no direct equalities, human rights or Welsh language implications arising from this report.
Risks	The principal risks relate to interest rate volatility, future borrowing requirements, and the security of invested funds. These risks are mitigated through adherence to approved investment limits, a cautious approach prioritising security and liquidity, and regular monitoring of counterparties and market conditions. The liability benchmark confirms that the Authority is a long-term borrower, reinforcing the importance of continued active treasury management and member oversight.

Mae'r ddogfen yma ar gael yn Gymraeg **Agenda Item 9**

Report to	**North Wales Fire and Rescue Authority**
Date	**21 September 2026**
Lead Officer	**Helen MacArthur, Assistant Chief Fire Officer**
Contact Officer	**Elgan Roberts, Head of Finance and Procurement**
Subject	**Revenue Budget Monitoring Report 2026/27 – Period 5**

PURPOSE OF REPORT

1 To present Members with an update on North Wales Fire and Rescue Authority's (The Authority) revenue budget position as at 31 August 2026 and highlight variances, emerging financial risks and the forecast outturn position for the financial year.

EXECUTIVE SUMMARY

2 The latest forecast indicates a projected year-end overspend of £0.313m, equivalent to approximately 0.6% of the Authority's net budget requirement of £54.104m. This forecast should be viewed in the context of a gross expenditure budget and ongoing operational pressures experienced during the first five months of the year.

3 The principal financial pressure relates to employee costs, which are forecast to exceed budget by approximately £0.533m. This reflects increased operational activity, particularly during the summer period, together with the financial impact of continued growth in retained firefighter numbers and associated incident response costs. These pressures are substantially offset by forecast underspends within Supplies and Services budgets, primarily arising from project slippage, timing differences and deferred expenditure.

4 A particular area of focus remains the financial impact of significant wildfire incidents experienced across Wales during the summer. Officers are currently assessing the full cost implications and are engaging with Welsh Government regarding potential support through the Emergency Financial Assistance Scheme (EFAS). At present, the forecast assumes no EFAS reimbursement and therefore represents a prudent assessment of the Authority's financial position.

RECOMMENDATIONS

5 It is recommended that Members:

i) Note the financial position for revenue and capital; and
ii) Note the Authority's intention to seek support from Welsh Government through the Emergency Financial Assistance Scheme in respect of exceptional wildfire-related costs.

BACKGROUND

6 Each year the Authority is required to set a balanced revenue budget which must be approved by the full Authority. The final budget for 2026/27 was approved by the Authority at its meeting on the 19 January 2026. This confirmed a net revenue budget requirement of £54.104m to be funded by the constituent local authorities.

7 When setting the budget, Members also approved a range of non-recurring measures necessary to achieve financial balance within 2026/27 which included utilising reserves.

8 The capital plan of £6.661m was presented to the Budget Scrutiny working group and approved by the Authority.

INFORMATION

REVENUE BUDGET YTD

9 As of 31 August 2026, the Authority has incurred gross expenditure of approximately £18.744m against a profiled budget of £20.668m, together with commitments of £4.966m. This results in total expenditure and commitments of £23.710m at the end of Period 5.

10 Many supplies, maintenance contracts, software licences and operational commitments fall later in the financial year and therefore the current year-to-date position is not necessarily indicative of the final outturn.

FORECAST OUTTURN

	Budget (£'m)	Outturn (£'m)	Use of Reserves (£'m)	CERA Cont'ns (£'m)	Total (£'m)	Variance (£'m)	Variance (%)
Employees	39.902	40.435	0	0	40.435	0.533	1.34%
Premises	2.578	2.707	0	0	2.707	0.129	5.02%
Transport	1.404	1.442	0	0	1.442	0.038	2.67%
Supplies	6.586	6.034	(0.271)	0	5.763	(0.823)	(12.50%)
Third Party	0.488	0.488	0	0	0.488	0	0%
Capital Cost	4.464	4.605	0	0	4.605	0.141	3.17%
Income	(1.047)	(1.024)	0	0	(1.024)	0.023	(2.22%)
Reserves	(0.271)	0	0	0	0	0	
Sub Total	**54.104**	**54.688**	**(0.271)**	**0**	**54.417**	**0.313**	**0.6%**
Levies	(54.104)	(54.104)	0	0	(54.104)	0	0.0%
Outturn	**0**	**0**	**0**	**0**	**0.313**	**0.313**	**0.6%**

11 **Employee costs** remain the most significant area of financial pressure and represent over 70% of the Authority's expenditure base. Employee expenditure is currently forecast to exceed budget by approximately £0.533m by year end. Key contributors to this pressure include:

- £0.457m - Retained incident fees year to date.
- £0.168m - Overtime expenditure year to date.

12 The 2026/27 budget included an assumed pay award of 3.8% for all staff groups. The pay award for local government staff, effective from April 2026, was settled at 3.3%, while the firefighters' pay award was settled at 3.8% with effect from 1 July 2026.

13 Members will be aware that improving retained firefighter availability has been a long-standing objective of the Authority. During the last 12 months the Service has successfully increased retained firefighter establishment levels, improving operational resilience and appliance availability across North Wales.

RDS Analysis	Budget 2026/27	Aug-23	Aug-24	Aug-25	Aug-26
Headcount	489	465	473	485	536

14 During the last 12 months, the Service has continued to strengthen operational resilience through successful recruitment and retention activity within the Retained Duty System (RDS). RDS headcount increased from 485 in August 2025 to 536 in August 2026. This improvement supports appliance availability and the Authority's ability to respond to incidents across North Wales. Whilst this represents a positive operational outcome, increased staffing levels also result in additional expenditure on retaining fees, incident fees, training and employer on costs. Current estimates suggest this growth creates a recurring budget pressure of approximately £500k per annum before the impact of future pay awards.

15 **Premises** budgets are forecast to overspend by approximately £129k. This reflects additional property-related expenditure, planned works and consultancy activity across the estate portfolio. Whilst some pressures have emerged during the year, the overall variance remains relatively modest in the context of the Authority's property budget.

16 **Transport** budgets are forecast to overspend by approximately £38k, mainly due to specialist maintenance, tyre costs, fuel and other usage-related expenditure. Costs continue to be monitored closely given uncertainty surrounding fuel prices and operational demand.

17 **Supplies and Services** budgets are forecast to deliver an underspend of approximately £0.823m, providing the principal mitigation against employee pressures. The forecast underspend reflects:

- Delays to equipment purchases.
- Project implementation slippage.
- Reprofiling of expenditure into future periods.
- Lower than anticipated expenditure against contingency budgets.
- Timing differences on software, licences and operational projects.

18 Officers are reviewing these budgets to determine whether expenditure can still be delivered during 2026/27 or whether future carry-forward requests may be required.

19 **Third Party Payment** budgets are forecast to remain broadly in line with budget.

20 **Capital financing costs** are forecast to exceed budget by approximately £141k, reflecting borrowing and financing assumptions associated with delivery of the Authority's capital programme and the continued impact of higher interest rates.

21 The overall financial position remains manageable at this stage of the year, with a forecast overspend of £313k representing less than 1% of the Authority's net budget requirement. The key financial risks for the remainder of the year are:

- Continued operational activity and wildfire response costs.
- Employee expenditure particularly retained firefighter costs and overtime.
- Delivery of planned savings and expenditure profiles.
- Inflationary pressures.

Wildfire Activity and Financial Impact

22 The summer of 2026 has seen extensive wildfire activity across North Wales and neighbouring areas. These incidents have required prolonged operational deployments, extended command arrangements, relief crews, welfare facilities and increased appliance usage. The financial impact is becoming evident across several budget headings including:

- Retained incident fees.
- Overtime costs.
- Fuel consumption.
- Catering and firefighter welfare costs.
- Vehicle running expenses.
- Equipment replacement and maintenance.
- Operational consumables and PPE.

23 Year-to-date expenditure on catering and incident-related support costs has already exceeded budget profiles in several areas, whilst the wider impact can also be seen through employee-related expenditure.

24 Although the full financial effect of the wildfire season is still being quantified, it is expected that wildfire activity will remain a significant contributor to the employee budget overspend currently forecast.

Emergency Financial Assistance Scheme (EFAS)

25 Officers are currently working with Welsh Government and operational colleagues to identify eligible expenditure arising directly from wildfire response activity.

26 Where expenditure meets the relevant eligibility criteria, the Authority intends to pursue recovery through the Emergency Financial Assistance Scheme (EFAS). Work is underway to ensure that all additional costs are clearly identified, evidenced and appropriately recorded.

27 No EFAS reimbursement has been included within the current forecast outturn position. Consequently, any successful claim would improve the Authority's reported financial position later in the financial year.

28 Members will be kept informed as further information becomes available regarding both eligible costs and discussions with Welsh Government.

CAPITAL PROGRAMME

29 The Authority approved a capital programme for 2026/27 totalling £6.661m in January 2026, with an additional £3.434m brought forward due to delays in delivery and deferred schemes. And a further £2.600m for Hwb Awen development to RIBA Gateway 4.

30 As at the end of August 2026, capital expenditure totalled £0.559m, with commitments of £6.253m. Most schemes are expected to be delivered within the current financial year, with some fleet expenditure expected to rollover into future years due to the procurement and build timescales associated with fleet vehicles.

Project Name/Description	Budget £m	Actual £m	Commitments £m	Total £m
Fleet	3.432	0	2.199	2.199
Facilities	0.985	0.055	0.009	0.064
Tech Ops	1.844	0	0	0
Sustainability	0.400	0.009	0.014	0.023
2026/27 Sub Total	**6.661**	**0.064**	**2.222**	**2.286**
Rollover Budget	3.434	0.100	2.080	2.180
Hwb Awen	2.600	0.395	1.951	2.346
Sub Total	**6.034**	**0.495**	**4.031**	**4.526**
Grand Total	**12.695**	**0.559**	**6.253**	**6.812**

31 Progress has been made in committing expenditure against the approved capital programme, with commitments and expenditure totalling £6.812m, representing over 50% of the total programme value of £12.695m. Activity to date has predominantly focused on fleet replacement, Hwb Awen development and ongoing estate investment. Whilst expenditure is lower than would be expected at this stage of the year, this reflects the nature of capital projects where significant expenditure is incurred following procurement, contract award and delivery milestones rather than evenly throughout the year.

32 The largest area of committed expenditure relates to the Fleet Programme, where lead times for procurement, vehicle build and specialist equipment installation continue to impact delivery timescales. As a result, some expenditure currently planned for 2026/27 may require reprofiling into future years. Officers continue to review project delivery and funding requirements to ensure the capital programme remains affordable, deliverable and aligned to the Authority's strategic priorities.

IMPLICATIONS

Well-being Objectives	This report links to NWFRA's long-term well-being objectives. Funding for the Service benefits the communities of North Wales and ensures there is sufficient investment in infrastructure to enable the service to provide emergency responses and prevention work well into the future.
Budget	Budget is set annually in accordance with the proposed service delivery which includes emergency response and prevention work.
Legal	The Authority remains compliant with its statutory duty to produce financial reports and maintain a balanced budget.
Staffing	Effective financial management supports the long-term workforce strategy to ensure that the Authority is able to discharge its responsibilities
Equalities/Human Rights/Welsh Language	None
Risks	Income and expenditure is closely monitored to ensure that deviations from the approved budget are properly identified and reported to Members.

Mae'r ddogfen yma ar gael yn Gymraeg **Agenda Item 10**

Report to	**North Wales Fire and Rescue Authority**
Date	**21 September 2026**
Lead Officer	**Helen MacArthur, Assistant Chief Fire Officer**
Contact Officer	**Elgan Roberts, Head of Finance and Procurement**
Subject	**Budget Setting 2027/28**

PURPOSE OF REPORT

1 To present Members with the planning assumptions, emerging budget pressures, strategic developments, consultation requirements and timescales underpinning the 2027/28 revenue budget-setting process for North Wales Fire and Rescue Authority (the Authority).

EXECUTIVE SUMMARY

2 The Authority is required to approve a balanced revenue budget for 2027/28. This report outlines the initial planning assumptions, emerging budget pressures, strategic priorities, risks and uncertainties that will inform the budget-setting process.

3 The financial assessment remains at an early stage and will be refined following detailed reviews of employee costs, non-pay expenditure, income, capital financing and departmental business cases. Particular areas of uncertainty include pay reform, employer pension contribution rates, borrowing costs, grant income, the revenue and capital implications of Hwb Awen, estate investment requirements, and changes in operational and regulatory demand.

4 The budget-setting process will be subject to Member scrutiny through the Budget Scrutiny Working Group. Following consideration by the Audit Committee and Executive Panel, the proposed budget requirement will be subject to formal consultation. Consultation responses will be considered before the Authority determines the final budget and levy for 2027/28.

RECOMMENDATIONS

5 It is recommended that Members:

i) Note the assumptions informing the 2027/28 budget;
ii) Note the remit of the Budget Scrutiny Working Group; and
iii) Note the timescales and consultation requirements.

BACKGROUND

6 The Authority is required to set a balanced revenue budget annually, approved by the full Authority. While “balanced” is not formally defined in legislation, CIPFA guidance emphasises the need for financial plans that demonstrate how expenditure will be funded over the short and medium term.

7 Financial sustainability depends on a clear understanding of the cost of delivering organisational objectives, alongside a realistic assessment of service demand, risks, available resources, capital investment and the Authority’s strategic priorities.

8 The 2027/28 planning process builds on the outcome of the Emergency Cover Review and subsequent work on crewing and operational availability. Existing service delivery models remain the starting point for budget planning, subject to any decisions taken through the Authority’s governance arrangements.

9 The Service is also progressing substantial strategic and operational work, including the development of Hwb Awen, the transition of facilities management services from North Wales Police, estate condition and decarbonisation requirements, and actions arising from external review and operational assurance activity.

10 The financial environment remains uncertain. Pay represents the largest element of expenditure, while non-pay budgets continue to be affected by contractual inflation, insurance, software, energy, equipment and supply-chain pressures. Borrowing and refinancing costs also remain a significant consideration for the capital programme.

11 The Authority must also comply with new statutory requirements to consult its constituent local authorities as part of the budget-setting process. This represents a significant change to the process and requires meaningful consultation to be completed, and the responses considered, before final decisions on the Authority’s net expenditure requirement and levy are made.

INFORMATION

12 The 2027/28 budget-setting process is informed by the outcome of the 2023/24 Emergency Cover Review and the work of the Collective Agreement Implementation Group. The current planning assumption reflects the continuation of nucleus crewing at Porthmadog and Dolgellau to provide daytime cover. The financial implications of the agreed arrangements will be reflected within the detailed employee budget.

13 The budget-setting process is subject to Member oversight and scrutiny through the Budget Scrutiny Working Group. The Working Group includes representation from each constituent local authority and is scheduled to meet on five occasions between August and December 2026.

14 Detailed reviews of employee costs, non-pay expenditure, income and capital financing will be undertaken to support Member understanding, scrutiny and challenge. The outcome of this work will inform the proposed budget requirement presented to the Audit Committee and Executive Panel in December 2026.

15 The planning process will also consider the Authority's capital requirements over the medium-term planning period, including the affordability and financing of the capital programme. A dedicated Budget Scrutiny Working Group session will be held in September to consider the emerging capital and revenue implications of the Hwb Awen Training Centre project.

16 The initial planning assessment and proposed budget requirement for 2027/28 will be presented to the Audit Committee and Executive Panel at their meetings on 14 December 2026. Members will be asked to approve the proposed budget requirement for formal consultation with the six constituent local authorities.

17 Following approval to consult, the Authority will undertake a formal consultation process with the six constituent local authorities. The consultation will set out the proposed net expenditure requirement, levy implications, alignment with the Community Risk Management Plan, and the supporting financial narrative. The consultation will provide constituent local authorities with an opportunity to submit meaningful written feedback within the budget-setting timetable.

18 The final budget proposals for 2027/28, together with a summary of the consultation responses and any proposed amendments arising from that feedback, will be presented to the Authority for consideration and approval at its meeting on 18 January 2027.

IMPLICATIONS

Well-being Objectives	The budget setting process supports the Authority's Improvement and Well-being Objectives by ensuring financial sustainability and respond to evolving community risks in line with the Well-being of Future Generations (Wales) Act.
Budget	The budget setting process is likely to result in an increase in the levy.
Legal	The Authority has a legal duty to set a balanced budget based on realistic and evidence-based assumptions.
Staffing	Over 70% of expenditure relates to staff costs and therefore is a material factor when considering future financial stability.
Equalities/Human Rights/Welsh Language	These issues will be factored into budget setting proposals.
Risks	The key risks and uncertainties to the 2027/28 budget have been outlined in Appendix 1.

Appendix 1 -Summary of planning assumptions and risks

Heading	Planning assumptions used in budget setting	Risks/Uncertainties
Employee costs	• Existing service delivery models are the starting point, subject to decisions through the Authority's governance arrangements • RDS staff budgets have been based on July 2026 headcount with provision for growth in RDS numbers of 15 during 2027/28. Retained staff headcount has increased by 52 over last 12 months, creating an estimated pressure before pay awards, of approximately £500k.Budgeting for the full required establishment would result in an additional cost of approximately £3 million. • The initial planning assessment for pay awards for 2027/28 is an increase of 4% for all staff groups. • No change in employer pension contribution rates is currently included.	• National agreement was reached in 2026/27 for staff conditioned to the grey book and this included a commitment to progress the pay modernisation agenda. This work is ongoing nationally and the outcome and timing is currently unknown although it may differ from the planning assumption. • Employer pension rates for the firefighter's pension scheme may change following the 2024 GAD valuation which will report in autumn 2026.

Heading	Planning assumptions used in budget setting	Risks/Uncertainties
Non-Pay	• Budgets will be based on existing service delivery models and the four-year financial plan. • 3% inflation is assumed for 2027/28, reducing to 2% in later years. • Unavoidable costs associated with industry specific health and safety matters have been included within the non-pay budget. These include costs associated with the training of operational firefighters and the management of contaminants. • Budgets have been formulated by each relevant Head of Department based on their knowledge and professional judgement of expenditure necessary to achieve corporate objectives. This includes a review of underlying contractual obligations and estimates of activity. New requests for funding over £10,000 are subject to a business case which is subject to scrutiny.	• Whilst the Service continues to review non-pay costs and strives to manage cost pressures within the planned budget this remains an area of risk and uncertainty. In particular, it has been noted that delays in the delivery of goods or services have impacted on the time profiles of expenditure. • Although cost inflation is generally more manageable than in recent years it is noted that some areas of concern remain. This includes increases in licenses associated with software including business critical systems and insurance cost. • Additional non-pay cost around decision to progress or not with Hwb Awen. • Following the significant activity arising from the adverse weather conditions, work is ongoing nationally to consider the future approach and actions necessary. No budget provision is currently being made as this work is in its early stages.

Heading	Planning assumptions used in budget setting	Risks/Uncertainties
Capital Financing	• The capital financing requirement for 2027/28 includes the revenue charge for the minimum revenue provision for existing assets and an estimate of the interest charges arising from borrowing. These costs are influenced by historical capital expenditure, the need to borrow for the 2027/28 capital programme and the impact of interest rate increases when re-financing maturing loans. • The initial planning assessment assumes that all future borrowing will be at the prevailing PWLB rate at the time of budget setting, currently estimated at 5% (4.6% for 2026/27). The Authority receives independent advice and guidance on this matter from Arlingclose, a specialist advisory company. • The capital plan includes potential costs associated with business cases submitted by each Head of Department.	• The increase in interest rates in recent years is a key risk area and is exacerbated due to the capital expenditure profiled in the MTRS. Financial modelling will be undertaken to assess the affordability of all proposals during the budget setting process. • The timing of any costs associated with a new training centre are unknown at this stage as the business case has not been considered by the Authority. Although it is not anticipated that the final business case and funding options will not be presented for approval until 2027 provision for costs associated with detailed planning applications will be included in the initial budget estimates. • Estate backlog and decarbonisation requirements remain subject to prioritisation, cost validation and funding decisions.
Income	• Income budgets have been reviewed and set in line with previous years, subject to inflationary increases as dictated through our SLAs. • Welsh Government grant income reduced significantly in recent years, and the budget setting will assume that remaining Welsh Government grant funding will be received at 2025/26 levels.	• No specific risks have been identified over and above the grant income from the Welsh Government for which inflationary uplifts are not anticipated.

Heading	Planning assumptions used in budget setting	Risks/Uncertainties
Other	• The budget assumes normal levels of activity unless a specific pressure is evidenced and approved. • Known operational and regulatory developments will be assessed through departmental submissions and business cases. • £130k is included for two previously approved Technical Operations Crew Manager posts deferred following the CFRAIW review.	• Following the significant activity arising from the adverse weather conditions, work is ongoing nationally to consider the future approach and actions necessary. The outcome of this may increase operational, staffing, fleet and equipment costs. No budget provision has yet been made as this work is in its early stages. • Potential regulatory change affecting buildings between 11 and 18 metres may require additional staffing, training and operational activity. The early assessment has included an estimated additional unavoidable cost of approximately £0.5m. No budget provision has yet been made.