

AWDURDOD TÂN AC ACHUB GOGLEDD CYMRU



NORTH WALES FIRE AND RESCUE AUTHORITY

A meeting of the **AUDIT COMMITTEE** will be held
MONDAY 15 DECEMBER 2025 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 September 2025

5. Appointment of Deputy Chair

6. National Fraud Initiative Audit Wales Report 2024-25, for information

7. Internal Audit Progress Report 2025/26, for assurance

8. Treasury Management Update 2025/26, for assurance

9. Budget Setting 2026/27, for recommendation

10. Scheme of Financial Delegation 2025/28, for approval

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.

12. Extension of Internal Audit Contract

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 September 2025 virtually via Zoom. Meeting commenced at 09.30hrs.

Councillor

Gareth Sandilands (Chair)
Tina Claydon
Ann Davies
Jeff Evans
Chrissy Gee
Ian Hodge
John Brynmor Hughes
Gwynfor Owen
Beverley Parry-Jones (left 10:34)
Arwyn Herald Roberts
Austin Roberts

Representing

Denbighshire County Council
Flintshire County Council
Denbighshire County Council
Anglesey County Council
Flintshire County Council
Flintshire County Council
Gwynedd Council
Gwynedd Council
Wrexham County Borough Council
Gwynedd Council
Conwy County Borough Council

Also present:

Dawn Docx
Helen MacArthur
Anthony Jones
Elgan W Roberts
Dafydd Edwards
Matthew Powell
Helen Williams
Angharad Ellis
Carwyn Rees
Steve Morris
Heledd Davies
Lisa Allington

Chief Fire Officer
Assistant Chief Fire Officer
Assistant Chief Fire Officer
Head of Finance and Procurement
Treasurer
Deputy Monitoring Officer
Monitoring Department, Flintshire CC
MIAA
Audit Wales
Head of ICT
Translator
Executive Assistant – minute taker

1.0 APOLOGIES

Name

Gareth Owens
Justin Evans

Representing

Clerk and Monitoring Officer
Assistant Chief Fire Officer

ABSENT

Name

Bryan Apsley
Marc Jones

Representing

Wrexham County Borough Council
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 It was noted that there had yet been no appointment of a Deputy Chair to the Audit Committee. Nominations for the position were requested but none were forthcoming. It was agreed to postpone this appointment to a later date.

4.0 MINUTES OF THE MEETING HELD ON 16 JUNE 2025

4.1 The minutes of the meeting held on 16 June 2025 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, noting the above amendments.

5.0 MATTERS ARISING

5.1 In relation to paragraph 9 of the previous minutes in connection with the possibility of interest rates decreasing, it was noted that they remained static at the current time. However, most of North Wales Fire and Rescue Service (the Service)'s borrowing was fixed borrowing and so any interest rate changes would have little impact.

5.2 It was asked if the Key Performance Indicator dashboard mentioned in paragraph 10.2 had been finalised and ER responded that it remained a work in progress and once streamlined, would be launched. An interim solution using Excel continued to be in place for the time being.

5.3 It was noted that the Budget Scrutiny Working Group still required representation from Wrexham and the Chair asked that this be resolved outside of the meeting.

6.0 WELSH GOVERNMENT CONSULTATION REGARDING THE GOVERNANCE ARRANGEMENTS FOR FIRE AND RESCUE SERVICES IN WALES

- 6.1 CFO Docx presented the paper on the Welsh Government consultation regarding the governance arrangements for fire and rescue services in Wales, the purpose of which was to bring to Members' attention the publication of a public consultation around future Governance Arrangements for Fire and Rescue Services (FRS) in Wales.
- 6.2 It was noted that the paper provided to Members had been written prior to the release of the consultation.
- 6.3 Members were advised that there would be two Member seminars facilitated to discuss the consultation and the Authority's response to the same and these would be an in-person seminar on 29 September and a virtual seminar on 2 October. Invites would follow in due course.
- 6.4 One Member asked if this consultation was another attempt by the Welsh Government (WG) to create one Welsh Fire and Rescue Authority across Wales, and the CFO responded that this would require primary legislation and there was not time prior to the next Senedd election to bring primary legislation in. It was therefore not part of the consultation. However, this could be a possibility for the future.
- 6.5 The Chair asked if there were any proposals within the consultation to change the way that funding was provided to FRS's, and ACFO HM noted that whilst precept funding would be welcomed, it would again require primary legislation and so was not included in this consultation. Meetings with the local authority Section 151 Officers were planned to discuss the funding aspect of the consultation, although they would be encouraged to consider the wider impact of the consultation as well.

6.6 RESOLVED to:

- i) Note the content of the consultation; and**
- ii) Agree to attend a workshop to scrutinise the proposals and submit a response drafted on behalf of the Authority, setting out Members' views regarding the proposals.**

7.0 TREASURY MANAGEMENT REPORT Q1 2025-26

- 7.1 Elgan Roberts, Head of Finance and Procurement, delivered the Treasury Management Report for Q1 2025-26. The aim of this report was 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 2025 – 30 June 2025.

7.2 The Treasurer drew Members' attention to paragraph 5 of the report which noted that during the first quarter of the year, the investment and borrowing limits had been honoured as set at the beginning of the financial year. Thanks were given to ER for managing the situation so well.

7.3 RESOLVED to:

- i) **Note the treasury management activities and prudential indicators for the period 1 April 2025 to 30 June 2025.**

8.0 CERTIFICATION ON COMPLIANCE WITH LGM 2009 PERFORMANCE ASSESSMENT REQUIREMENTS 2025-26

8.1 ACFO Jones summarised the Certification on compliance with LGM 2009 performance assessment requirements 2025-26 report, the purpose of which was to confirm to the Audit Committee the outcome of the external audit of the Authority's 2025/26 improvement measures, as required by the Local Government (Wales) Measure 2009 (the Measure).

8.2 The CFO noted how pleasing it was to receive this certification following the move from the previous Annual Improvement Plan to the Community Risk Management Plan (CRMP). This move had brought the Service into line with other FRS's in the UK, and was also the direction that the WG wanted the Service to move in. However, it had still been a risk and so receiving this confirmation was welcomed. The CFO congratulated all those involved.

8.3 RESOLVED to:

- i) **Note the audit letter which confirms that the Authority has discharged its responsibilities under the Local Government (Wales) Measure 2009.**

9.0 THE ECONOMIC CRIME AND CORPORATE TRANSPARENCY ACT 2023

9.1 Elgan Roberts presented the Economic Crime and Corporate Transparency Act (ECCTA) 2023 paper which provided Members with assurance that North Wales Fire and Rescue Service (the Service) is compliant with the new statutory offence of failure to prevent fraud under the Economic Crime and Corporate Transparency Act 2023, and outlined the controls, training, and governance mechanisms in place to mitigate fraud risk.

9.2 It was asked if similar Authorities had experienced any non-compliance with the Act as yet, and ER confirmed that as the new corporate offence for failure to prevent fraud had only been implemented from 1 September 2025, there had not yet been any adverse experiences.

9.3 RESOLVED to:

- i) Note the Service's compliance with the ECCTA 2023 fraud prevention duty; and**
- ii) Note the current suite of anti-fraud controls and training.**

10.0 UPDATED FINANCIAL REGULATIONS

10.1 ACFO MacArthur delivered the updated Financial Regulations which informed Members of the scheduled review and update of the Authority's Financial Regulations, originally approved in March 2022, and outlined the key changes introduced in the 2025 revision.

10.2 The Treasurer thanked ACFO MacArthur, ER and all involved for bringing these Financial Regulations up to date and within the prescribed timescales.

10.3 RESOLVED to:

- i) Endorse the updated Financial Regulations and recommend their approval to the Authority.**

11.0 AUDIT WALES REPORT: PUTTING OUT FUTURE FIRES

11.1 Carwyn Rees, Audit Wales, introduced the Audit Wales Report: Putting out Future Fires which presented the findings and recommendations of that report on the Authority's approach to targeting fire prevention work.

11.2 He noted that there had been two recommendations made within the report: that the Authority assess where it may have gaps in its approach and should address these gaps to ensure its actions target people with the highest risk; and that the Authority strengthen its understanding of the value added by its prevention activity. This was to support more clearly the targeting of resources to show the value for money achieved.

11.3 AM Paul Kay summarised the detail of the report.

11.4 A Member asked if there would be any use for Artificial Intelligence (AI) in helping process the large quantities of data required to inform the Service's Prevention and Protection efforts, and if there were any emerging trends arising from this report that might result in more use of technology. AM Kay responded that collaborative work with partners across Wales was the priority at the moment and it was not felt that AI would play its part at the current time; however, it remained important to monitor emerging technologies and support the community in making sure that they were aware of the risks in this area and how to mitigate them.

11.5 It was confirmed that an update would be provided in quarter 1 of the 2026/27 financial year.

11.6 RESOLVED to:

- i) Note the findings and recommendations of the Audit Wales report;**
- ii) Endorse the development of a targeted improvement plan addressing the two recommendations; and**
- iii) Request a progress update in Q1 of 2026-27 on implementation actions.**

URGENT MATTERS

There were no urgent matters to discuss.

It was moved that the meeting progress to Part II and this was proposed and seconded with all in favour. The live stream was terminated.

Part I concluded at 10:18

PART II

12.0 INTERNAL AUDIT PROGRESS REPORT 2025-26 AND FOLLOW-UP OF RECOMMENDATIONS

- 12.1 Angharad Ellis presented the Internal Audit Progress Report 2025-26 and Follow-Up of Recommendations which provided Members with a consolidated update on internal audit activity for the period June to August 2025, including progress against the 2025/26 Audit Plan and follow-up of previously agreed recommendations.
- 12.2 ACFO MacArthur noted that the reason for this item being discussed under Part II was due to the vulnerabilities in relation to Cyber controls. She acknowledged the work of Internal Audit and Service colleagues in relation to this report.
- 12.3 A Member asked if the Sunrise system was fit for purpose in relation to asset tracking and SRM responded that, having seen what other services were doing, it had become apparent that a more bespoke system in relation to asset tracking would be required and was being looked into.
- 12.4 ACFO MacArthur confirmed that the recommendations arising from the report were being addressed but in terms of a response perspective, all appliances and smaller assets were checked daily and so all appliances were properly equipped each day. Asset tracking was not unique to the Service and was also a challenge that existed within other FRS's.
- 12.5 It was asked if MIAA felt that the timelines given to the Service to address these recommendations were appropriate and that the Service had the required resources to be able to do that. AE confirmed that MIAA were confident that they did.
- 12.6 The Chair stressed that urgency in relation to the Service's cyber response was necessary and urged that it be made a priority. ACFO MacArthur confirmed that the service continued to work alongside WG, and collaborative work was taking place with other services across Wales.
- 12.7 SRM confirmed that so far, the Service had not been vulnerable to the same cyber-attacks that had taken place nationally over recent weeks and the existence of the Service's 'Walled Garden' approach meant that any threats should be kept at bay.

12.8 RESOLVED to:

- i) Note the progress made against the 2025/26 Internal Audit Plan;**
- ii) Endorse the follow-up findings and revised implementation timelines; and**
- iii) Support the formalisation of governance arrangements for equipment asset management and cyber assurance.**

13.0 PERFECT CIRCLE CONTRACT FOR TRAINING CENTRE

- 13.1 ACFO Helen MacArthur presented the Perfect Circle Contract and the Chair noted that there were some items within the contract that were not applicable and asked that this be addressed.
- 13.2 ACFO MacArthur confirmed that this contract was on the agenda for information purposes in line with the Scheme of Delegation as the value of the contract was more than £1m.
- 13.3 ER advised that the contract formed part of the SCAPE framework, that the first ten pages were the most appropriate in terms of legalities, and that legal advice had been sought and taken. He further confirmed that the contract had been authorised by the CFO via the digital financial system, Tech One. He confirmed that Gleeds, the main contractor working through the Perfect Circle contract, had a great deal of experience with building training centres and working within the fire and rescue sector.

13.4 RESOLVED to:

- i) Note the content of the Perfect Circle contract.**

Part II concluded 10:42

Report to	Audit Committee
Date	15 December 2025
Lead Officer	Helen MacArthur, Assistant Chief Fire Officer Finance and Resources
Contact Officer	Helen MacArthur
Subject	Audit Wales – National Fraud Initiative



PURPOSE OF REPORT

- 1 The purpose of this item is to present to Members the Audit Wales report on the biennial UK wide counter fraud exercise known as the National Fraud Initiative. The report provides the background to the initiative and a summary of the matches for North Wales Fire and Rescue Authority (the Authority). In Wales this initiative falls under the statutory powers of the Auditor General for Wales.

EXECUTIVE SUMMARY

- 2 The Authority is required to participate in the biennial UK wide counter fraud initiative through the sharing of agreed electronic data sets. The data sets are analysed against submissions from other public bodies and where a match is identified this is passed back to the relevant body for further consideration.
- 3 The report contained within Appendix 1 provides an overview of the National Fraud Initiative (NFI) and the data matches for the Authority. A match in itself does not provide evidence of fraud but does highlight areas where further explanation is required.
- 4 The review of all matches is undertaken by the Authority's Finance Team with oversight and assurance being provided by the Authority's internal auditor. The internal auditor's report is provided within item 7 of today's agenda and confirms that all matches have been reviewed. The work undertaken confirms that none of the matches have required formal investigation due to fraud.

RECOMMENDATIONS

5 It is recommended that Members:

- i) **Note the background to the National Fraud Initiative and the matches for the Authority; and**
- ii) **Note the assurances provided by the Authority's internal auditor within its update report for this Committee.**

IMPLICATIONS

Well-being Objectives	This report confirms that the Authority's obligations to prevent and detect fraud.
Budget	The work undertaken has been achieved within budget and without the need for further resources
Legal	The Audit Wales report confirms the responsibilities of the Authority.
Staffing	None
Equalities/Human Rights/ Welsh Language	None
Risks	Compliance with the national fraud initiative supports the assurance that the Authority has appropriate arrangements in place for the management of fraud risks.

Briefing Note

National Fraud Initiative 2024-25: update for North Wales Fire and Rescue Service

About the National Fraud Initiative

- 1 The National Fraud Initiative (NFI) is a biennial UK-wide counter-fraud exercise. It helps prevent and detect fraud by electronically sharing and matching data sets. **Appendix 1** provides further information on how the NFI works.
- 2 In Wales, the NFI operates under the Auditor General's statutory powers. Participation is mandatory for unitary local authorities, NHS bodies, police forces, and fire and rescue authorities. Participating on a voluntary basis in the latest exercise are the Welsh Government, some Welsh Government arm's length bodies (Natural Resources Wales, Arts Council of Wales, Sport Wales, National Library of Wales, Transport for Wales), and South East Wales Corporate Joint Committee.
- 3 This briefing note provides an update on the latest NFI 2024-25 exercise at a national level and as at 31 July 2025. It also provides some local level data for your organisation, although we are encouraging those charged with governance to seek further local detail from lead officers.

Data submission for 2024-25

- 4 The NFI 2024-25 exercise is underway. Participants submitted data for the biennial batch data matching exercise in October 2024. This included data on housing benefits, housing tenants and waiting lists, blue badge parking permits, licences, and various payments such as creditor payments, payroll, and pensions.
- 5 The UK Public Sector Fraud Authority released most data match reports to participants by the end of December 2024. Council tax and electoral register data are submitted annually. The most recent deadline for submitting this data was February 2025.
- 6 Supplementary data runs take place during the exercise to process new, incomplete or missing data submissions. For example, progress is being made to amend the Public Audit (Wales) Act 2004 through a Legislative Reform Order which will enable the NFI to resume the matching of adult social care data during the NFI 2024-25 exercise.

National update

Data matches and investigation

- 7 To date, almost 440,000 data matches have been identified for the Welsh NFI 2024-25 exercise participants. **Exhibit 1** shows that most of these matches are for unitary authorities and health bodies.

Exhibit 1: NFI 2024-25 Welsh participant data matches by type of organisation, at end of July 2025

Type of organisation	Number of data matches	% of data matches
Unitary authority	373,114	84.9
Health	50,409	11.5
Police	2,641	0.6
Fire and rescue	740	0.2
Other	12,749	2.9
Total	439,653	100.0

Source: Audit Wales analysis of NFI web-application data

Note: % total does not match the sum of the parts due to rounding.

- 8 Data matching identifies potentially fraudulent or erroneous claims and payments. No assumption can be made about whether there is fraud, error, or another explanation until an investigation is carried out. There can, for example, be false positives around creditor payments if bodies are deliberately making staged payments of the same amount.
- 9 We recognise it is not practical to investigate all data matches, particularly for bodies with large numbers of matches. Bodies are encouraged to take a risk-based approach to assessing data match reports and deciding what type of, and how many, data matches they review.
- 10 By the end of July 2025, five participating bodies had not yet closed any data matches. Some participants are making good progress with reviewing NFI 2024-25 data matches, while others have made limited progress.
- 11 **Exhibit 2** shows the total number of data matches for each data match area. It also shows the number of data matches closed in a data match area, along with the number of participants that have matches in that area.

The absence of closed matches indicates that the participant has not reviewed any matches in that area.

Exhibit 2: NFI 2024-25 Welsh participant data matches processed and closed, at end of July 2025

Data match area	Data matches	Data matches closed	Participants with data matches	Participants with no closed statuses for their matches
Council tax single person discount	198,146	5,385	22	11
Creditors	187,228	19,791	48	16
Council tax reduction scheme	16,578	3,547	22	1
Blue badges	10,377	5,849	22	3
Payroll	8,150	1,705	46	6
Housing waiting lists	6,359	1,392	18	5
Housing tenants	4,636	879	11	2
Pensions	2,962	1,098	12	4
Resident parking	2,405	2,368	8	1
Procurement	1,985	400	42	28
Housing benefit	826	483	22	2
Taxi drivers	1	1	1	0
Total	439,653	42,898	49	5

Source: Audit Wales analysis of NFI web-application data

Note: After risk assessing data match reports and any subsequent investigations, each data match should be 'closed' and given a match status. There are a range of 'closed' statuses. Matches not investigated should be given the status 'Closed – Not selected for investigation'. Assigning match statuses to data matches can be done individually or by bulk selection.

Outcomes

- 12 Welsh participants recorded outcomes of £4.7 million for the period 1 April 2024 to 31 July 2025. **Exhibit 3** shows which matching process the outcomes relate to.

Exhibit 3: Welsh participant reported NFI outcomes, 1 April 2024 to 31 July 2025

NFI exercise	Outcomes (£s)
NFI 2024-25 biennial exercise	1,719,037
Late savings from the NFI 2022-23 biennial exercise	867,157
Annual council tax data matching exercises	2,080,831
Total	4,667,025

Source: Audit Wales analysis of NFI web-application data

Note: Outcomes are made up of (i) actual amounts participants have recorded as fraud or error; and (ii) estimated elements which seek to capture the value of loss from a fraud or error detected, and the value of any future losses that bodies may have incurred without intervention following an NFI match. Most datasets have a methodology to calculate estimated savings. All methodologies are reviewed by the Cabinet Office's NFI Governance Board and approved by the Cabinet Office's Fraud Prevention Panel.

Local update

- 13 Data matches are released in data match reports. Each report has a different purpose and compares data from two or more datasets. The reports are broken down into dataset types: for example, housing benefit, payroll, or creditors.
- 14 An organisation's risk assessment of the data match reports should determine the types and numbers of data matches to be investigated. To aid risk assessment, the NFI web application flags some data match reports as 'key reports' with historically high success rates in identifying fraud or error. Also, most individual data matches are assigned a fraud risk score.
- 15 **Exhibit 4** shows the total number of data matches identified for North Wales Fire and Rescue Service, along with those recorded in key reports. **Appendix 2** provides some further analysis of these data matches by fraud risk score.

Exhibit 4: North Wales Fire and Rescue Service's NFI 2024-25 data matches, at end of July 2025

Data match area	Data matches in all reports	Data matches in key reports with historically high success rates
Creditors	134	128
Payroll	35	34
Procurement	1	1
Total	170	163

Source: Audit Wales analysis of NFI web-application data

Note: Council tax single person discount data match reports are not formally designated as 'key reports' but are treated as such in practice.

- 16 Various factors can influence which data match reports are reviewed and when this takes place. For example, an organisation may prioritise looking at data match reports linked to areas where it has concerns about internal controls or where there is a history of fraud or error. Also, local resourcing will dictate the pace of progress. For these reasons, this general update does not provide further detail on where processing work and outcomes are recorded by your organisation at this stage.
- 17 The NFI web application features a dashboard and provides various reports on outcomes and processing activity. We encourage those charged with governance to seek more detailed updates on processing work and outcomes recorded from their NFI Senior Responsible Officer and NFI Key Contact.

Future Audit Wales work

- 18 For this NFI exercise we will carry out a high-level assessment of participants' governance and follow-up arrangements. We will engage with bodies over the autumn/early winter to consider issues covered in our [NFI self-appraisal checklist](#).¹ We will also analyse the risk assessment and data

¹ In December 2024, we shared the updated checklist with NFI senior responsible officers and key contacts. We encouraged all bodies to complete it and share it with those charged with governance.

match processing work carried out, and the outcomes recorded by participants, as reflected in the NFI web application.

- 19 This work will help us understand the factors influencing the outcomes reported by individual bodies and the variations between them. Findings from this assessment will inform our next national report in autumn 2026.

Appendix 1 – The National Fraud Initiative

The NFI uses data matching to detect and prevent fraud. It electronically compares sets of data against other records held by the same and other bodies, to see to what extent they match.

The data matching flags anomalies or inconsistencies that indicate potential fraud or error. Indicators of potential fraud are reported to the participants, who are responsible for following up these matches.

The effectiveness of the NFI depends on the thoroughness of the assessment and investigation of matches and recording of outcomes.

Bodies record the outcomes in the NFI web application. Each participant body has a nominated Senior Responsible Owner and Key Contact for the NFI, who in some cases may be the same individual.

The UK Public Sector Fraud Authority, part of the UK Government's Cabinet Office and HM Treasury, oversees the NFI across the UK. Audit Wales leads the exercise in Wales under the Auditor General's powers in the Public Audit (Wales) Act 2004. The Auditor General's Code of Data Matching Practice summarises the key legislation, and controls, governing the exercise in Wales.

We published a report on the outcomes from the 2022-23 NFI exercise in October 2024. Reports on the NFI for other parts of the UK are produced by the Public Sector Fraud Authority, Audit Scotland, and the Northern Ireland Audit Office.

There is no direct cost to participants for taking part in the exercise. Audit Wales receives funding, through the Welsh Consolidated Fund, to pay for bodies to participate in the NFI. This covers the central data matching processing for the biennial exercise, as well as the annual exercise for council tax and electoral register datasets. This remained the case for the NFI 2024-25 exercise. The main costs to participants are, therefore, the resources used to submit data and conduct follow-up work once data matches are released.

Appendix 2 – Analysis of data matches by fraud risk score for North Wales Fire and Rescue Service

The NFI assigns a fraud risk score of very high risk, high risk, or medium risk to most, but not all, data matches. This risk score is based on a combination of two factors:

- Risk logic – a set of criteria for each dataset combination that, when met, indicates a fraudulent outcome is more likely to occur.
- Footprint score – the number of times an individual in a match appears at the address across all NFI data. It is an indicator of whether that person resides at that address.

Exhibit 5 and **Exhibit 6** provide further analysis of North Wales Fire and Rescue Service's data matches by risk score for data matches in all data match reports and those in key reports. This analysis builds on **Exhibit 4** in the main body of this briefing note. Not all data matches are formally assigned a risk score. Council tax single person discount data matches and matches in key reports that are not formally assigned a risk score should generally be treated as 'very high risk' in practice.

Exhibit 5: North Wales Fire and Rescue Service's NFI 2024-25 data matches by risk score for data matches in all reports, at end of July 2025

Data match area	All data matches	Very high risk	High risk	Medium risk	No risk score
Creditors	134	29	105	0	0
Payroll	35	0	9	20	6
Procurement	1	0	0	0	1
Total	170	29	114	20	7

Source: Audit Wales analysis of NFI web-application data

Exhibit 6: North Wales Fire and Rescue Service's NFI 2024-25 data matches by risk score for data matches in key reports, at end of July 2025

Data match area	All data matches	Very high risk	High risk	Medium risk	No risk score
Creditors	128	28	100	0	0
Payroll	34	0	8	20	6
Procurement	1	0	0	0	1
Total number of data matches	163	28	108	20	7

Source: Audit Wales analysis of NFI web-application data

Report to	Audit Committee
Date	15 December 2025
Lead Officer	Helen MacArthur, Assistant Chief Fire Officer, Finance and Resources
Contact Officer	Angharad Ellis, MIAA
Subject	Internal Audit Progress Report December 2025



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 2025/26 financial year to 30 November 2025.

EXECUTIVE SUMMARY

- 2 The Authority is required to put arrangements in place for the audit of systems of control. MIAA was appointed in June 2023 to provide internal audit services to the Authority.
- 3 The report contained within Appendix 1 provides an overview of the work undertaken during the 2025/26 financial year to 30 November 2025 against the agreed internal audit plan.
- 4 The report confirms that in the reporting period two audits have been finalised. The business planning audit provided a substantial level of assurance with four medium and one low risk recommendations being agreed. The National Fraud Initiative (NFI) review has confirmed that all matches have been investigated with no issues requiring escalation.

RECOMMENDATIONS

- 5 It is recommended that Members:
 - i) **Note the work undertaken by MIAA during 2025/26**

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 2025/26 up to 30 November 2025 and confirms that in the reporting period the business planning and NFI reviews were concluded.
- 9 The business planning audit provided substantial assurance with four medium and one low risk recommendations being made for further improvement. These recommendations have been agreed upon by management.
- 10 The Authority participates in the NFI exercise. The purpose of the exercise is to match data held across public sector bodies. The matches in themselves do not confirm fraud but highlight areas for further investigation. The update report confirms that North Wales Fire and Rescue Service (the Service) has undertaken work to investigate each match and no issues of note have been identified that require escalation.

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 and 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 (December 2025)

North Wales Fire and Rescue Service

Contents

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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 2025/26 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 September to 30th November 2025.

3 Executive Summary

2025/26 Audit Reviews

The following reviews have been finalised:

- Business Planning (Substantial Assurance)

Our review identified a number of areas of good practice including the approval/implementation of the Community Risk Management Plan 2024-29 (CRMP) and the governance arrangements regarding budget setting for 2025/26. The Community Risk Management Implementation Plan (CRMIP) for 2025/26 demonstrated clear links to the Fire Authority's principles and objectives in relation to national guidance. At the time of the review, it was confirmed that new templates had been created for strategic outline cases and full business cases. As part of our review, we received two draft strategic outline cases for 2026/27, and we confirmed that some of the issues highlighted on the old template had been addressed. Recommendations were raised in relation to the consistent completion of business cases (in the old template) and evidence of post project evaluations of business cases. In addition, our review of the departmental plans noted that the spreadsheet had not been consistently completed for all departmental objectives and that there should be a clear link between the departmental plans and staff personal objectives within the appraisal documentation for all staff levels.

- National Fraud Initiative (Briefing Note issued)

MIAA can confirm that all matches have been reviewed and no instances of fraud or overpayments were identified. The exercise is now closed.

Refer to Appendix C for details of Key Areas and Actions to be Delivered

The following reviews are in progress:

- Key Financial Systems (Fieldwork)
- Attendance at Budget Scrutiny meetings (when required)

Follow Up

Our follow up work is in progress.

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.

MIAA – Assured provider to the NCSC Cyber Resilience Audit Scheme

We are proud to announce that MIAA has been officially recognised as an Assured provider under the National Cyber Security Centre's (NCSC) Cyber Assessment Framework (CAF).

This accreditation marks a major milestone for MIAA and reflects our ongoing commitment to helping organisations strengthen their cyber resilience and safeguard critical systems and services.

This achievement, which is the result of a rigorous assessment process, demonstrates our credentials in auditing against the NCSC's Cyber Assessment Framework and, highlights the exceptional skills and experience of our staff as well as our organisational commitment to the highest cyber security standards. While this recognition is a tremendous achievement for MIAA, its greatest value lies with our clients, who can be confident they are engaging highly skilled individuals and a trusted, high-quality audit provider.

The Cyber Resilience Audit (CRA) scheme provides assurance for organisations delivering independent cyber audits, with a strong focus on the Cyber Assessment Framework (CAF). By becoming an NCSC Assured Provider, MIAA has demonstrated:

- Expertise in auditing against the CAF.
- Independence and integrity in delivering high-quality assessments.
- Dedication to helping organisations manage cyber risks in an ever-changing threat landscape.

This recognition is particularly important for organisations required to have their NHS Data Security and Protection Toolkit submission independently audited, as NHS England strongly recommends using a CRA scheme-assured auditor. With this recognition, clients can be assured that DSPT audits are delivered to the highest standards reflecting both the detail of the Cyber Assessment Framework and the NHS's own DSPT audit guides.

Added Value

Briefings

Our latest briefings/blogs/podcasts are:




- [Simple AI Booklet Series: Helping the NHS Understand Artificial Intelligence](#)
- [Celebrating 10 Years of the MIAA Internship Programme: Reflections from Our 2024 Interns](#)
- [25/26 MIAA Insight - AI Governance Checklist](#)

Events

- [Powerful Allyship: Everyone's Role \(21st January 2026\)](#): In this masterclass we will share the principles and practices around allyship and showcase the positive impact allyship has on organisational culture and productivity. We will consider the role we all have as allies, alongside practical tools to facilitate leaders to create the conditions for allyship to thrive.

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 2025/26:

HOIA Opinion Area	TOR Agreed	Status	Assurance Level	Audit Committee Reporting
Risk Management – Core Controls		Q4 delivery		March 2026
National Fraud Initiative	N/A	Completed	Not applicable	December 2025
Key Financial Systems		Fieldwork		March 2026
Business Planning		Completed	Substantial	December 2025
Equipment Asset Management		Completed	Limited	September 2025
Attendance at Budget Scrutiny meetings	N/A	As required	Not applicable	Not applicable
Follow Up				
Q1	N/A	Completed	N/A	June 2025
Q2	N/A	Completed	N/A	September 2025
Q4	N/A	In progress		March 2026

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	Business Planning			
Executive Sponsor	Assistant Chief Fire Officer			
Assurance Level	Substantial Assurance - There is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.			
Objective	To evaluate the effectiveness of the systems and processes in place to ensure there were robust governance arrangements with respect the alignment between corporate planning and department planning. This review considered the development, review and approval of business cases.			
Recommendations	0 x Critical	0 x High	4 x Medium	1 x Low
Summary	<ul style="list-style-type: none"> The Service has a 5-year Community Risk Management Plan (CRMP) in place – covering the period 2024-2029. We identified that the plan aligned with national guidance from the Fire Standards Board. Ahead of final publication of the CRMP, we confirmed that key stakeholders had been engaged as part of the planning process. This involved presentations with varying levels of staff, as well as obtaining feedback via a QR code from external stakeholders. The draft 5-year Community Risk Management Implementation Plan (CRMIP) Consultation Report was presented to the Fire and Rescue Authority (FRA) at the April 2025 meeting. Review of the report confirmed that stakeholder engagement had been held via public consultation. Departmental planning guidance was in place, dated June 2024. This referred users to the CRMP, to ensure that departmental objectives were formulated in line with the delivery of the 2029 ambitions of the Service. 			

- We found that departmental plans were in place for each department of the Service. It was noted that within Finance, their departmental plan was also available to staff as a printed copy within the office for ease of use and regular sighting.
- Our review identified that the standard templates for full business cases and strategic outline cases had been refreshed and amended for the 2025/26 financial year. In addition, guidance was available on how to complete these new templates.
- Training sessions have recently been held for staff to assist in the completion of the new business case documentation (using the updated templates). This was for both strategic outline cases (£10k+) and full business cases (£261k+).
- Testing of a sample of 13 business cases for capital and revenue found that all forms had been dated and included an executive summary. This detailed what the project would achieve, the benefits, estimated costs and how it was to be funded.
- Testing of the 13 business cases confirmed that they agreed to the capital and revenue plans, and the budget confirmation.
- A review of the Budget Scrutiny Working Group (BSWG) minutes for the November 2024 meeting identified that the capital programme and the proposed budget for 2025/26 highlighted the timescales and milestones for budgets and that all new expenditure over £10k would require a business case. The capital bids for each department had also been presented.
- A progress update against the objectives in the CRMP had been reported at the SLT meeting in November 2024. Similarly, minutes of the SLT meeting in January 2025, confirmed that the CRMP was presented and feedback sought prior to final approval.
- An annual performance assessment had been reported to the Executive Panel in September 2025 which included an overview of progress made against its objectives for 2024/25.
- The Quarter 1 Departmental Plans for 2025/25 had been reported and discussed at SLT in August 2025, as well as how the CRMP incorporated the Core Code of Ethics.

Key Areas Agreed for Action	<ul style="list-style-type: none"> • Review of the departmental plan spreadsheet and testing of 3 departments - Performance, Planning and Transformation, Prevention and Protection and Response - identified that quarterly updates had not been consistently provided. In addition, the objectives had not always been fully completed. For example, the appropriate principles, well-being goals and ways of working had not been selected for some of the objectives. (Medium Risk) • The post-evaluation process of business cases/projects was not clear/evident. (Medium Risk) • Testing of a sample of 13 business cases for 2024/25 and 2025/26 (using the old template) found that they had not been consistently completed. (Medium Risk) • There was little evidence of a link between departmental plans and staff personal objectives. A review of the appraisal documentation for non-managerial, supervisory manager and middle manager identified that there was no reference to the core values and departmental plans. Although it was noted from a review of the Finance appraisal documentation that there was a section which included the team objectives for the year ahead and how staff will demonstrate the core values of the Service. (Medium Risk) • Business cases had been approved as part of the Departments capital plans; however, it was unclear where individual business cases had been raised and approved. (Low Risk) • A review of recent SLT meeting papers identified that an annual update had not been provided on the implementation against the CRMP. (Low Risk)
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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: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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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0008Report to	Audit Committee	
Date	15 December 2025	
Lead Officer	Helen MacArthur, Assistant Chief Fire Officer	
Contact Officer	Elgan Roberts, Head of Finance and Procurement	
Subject	Treasury Management Report Q2 2025/26	

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 June 2025 – 30 September 2025.

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 2025/26 was approved at a meeting on 28 April 2025. 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 June 2025 to 30 September 2025.**

EXTERNAL CONTEXT

- 7 UK headline Consumer Price Index (CPI) increased over the period, rising from 2.6% in March to 3.8% in August, still well above the Bank of England's 2% target. Core Inflation also rose, from 3.4% to 3.6% over the same period, albeit the August reading was down % from 3.8% the previous month. Services inflation also fell from July to August, to 4.7% from 5%.
- 8 The BoE's Monetary Policy Committee (MPC) cut Bank Rate to 4.0% in August.
- 9 The Authority's treasury adviser maintained its central view that Bank Rate would cut further as the BOE focused on weak GDP growth more than higher inflation. One more cut is currently expected during 2025/26, taking Bank Rate to 3.75%.

LOCAL CONTEXT

- 10 On 30 September 2025, the Authority had net borrowing of £15.32m arising from capital expenditure.
- 11 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.
- 12 Table 1 confirms that the Authority's net borrowings were below the Capital Financing Requirement (CFR).

Table 1: Balance Sheet Summary

	31.03.25 Actual £m	30.09.25 Actual £m
General Fund CFR	31.01	24.83
External borrowing	-19.07	-15.32
Internal borrowing	11.94	9.51
Less: Balance sheet resources	-14.46	-14.46
Less: New Investments	2.52	4.95
New borrowing	0.00	0.00

- 13 The treasury management position as of 30 September and the change over the six months is shown in [Table 2](#) below.

Table 2: Treasury Management Summary

	31.3.25 Balance	Movement	30.09.25 Balance	30.09.25 Rate
	£m	£m	£m	%
Long-term borrowing	8.46	1.80	10.26	2.81 - 4.80
Short-term borrowing	10.61	-5.55	5.06	1.07 – 4.90
Total borrowing	19.07	-3.75	15.32	
Short-term investments	0.00	-2.70	-2.70	3.95 – 4.22
Cash and cash equivalents	-2.52	0.27	-2.25	3.25-- 4.34
Total investments	-2.52	-2.43	-4.95	
Net borrowing	16.55	-6.18	10.37	

BORROWING

- 14 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.
- 15 The Authority has not invested in assets for financial return, and all expenditure is related to the discharge of the Authority's functions.

BORROWING STRATEGY AND ACTIVITY

- 16 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.
- 17 The cost of short-term borrowing from other authorities has been similar to Base Rate during the period at 4.0% to 4.5%.
- 18 The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.53% at the end. The lowest available 10-year maturity rate was 5.17% and the highest was 5.62%. Rates for 20-year maturity loans ranged from 5.71% to 6.30% during the period, and 50-year maturity loans from 5.46% to 6.14%.
- 19 As of 30th September 2025, the Authority held £15.32m of loans, a decrease of £3.75m compared to 31st March 2025. A summary of outstanding loans as of 30th September is provided in [Table 3A](#) below.

Table 3A: Borrowing Position

	31.3.25 Balance £m	Net Movement £m	30.09.25 Balance £m	30.09.25 Weighted Average Rate %	30.09.25 Weighted Average Maturity (years)
Public Works Loan Board	14.073	1.246	15.319	3.510	6.470
Local authorities (short-term)	5.00	-5.00	0.000	0.000	0.000
Total borrowing	19.07	-3.75	15.319		

- 20 The Authority took out a new £5M short-term local authority loan in December 24 which was repaid in August 25. All other short-term loans are held with the PWLB. Further borrowing is not required until November, however, if there is a sudden movement in the market with improved rates this will be utilised upon advised from our treasury advisors Arlingclose.

Table 3B: Long-dated Loans borrowed

	Amount £m	Rate %	Period (Years)
PWLB Maturity Loan	2.00	4.80	27
PWLB EIP Loan	0.59	3.09	12
PWLB EIP Loan	4.17	3.91	15
Total borrowing	6.76		

- 21 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 INVESTMENT ACTIVITY

- 22 CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20 December 2021. These define treasury management investments as investments that arise from the organisation'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.
- 23 The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the six months, the Authority's investment balances ranged between £1.03m and £13.73m. The investment position is shown in [Table 4](#) below.

Table 4: Treasury Investment Position

	31.3.25		30.09.25	30.09.25	30.09.25
	Balance	Net Movement	Balance	Income Return	Weighted Average Maturity
	£m	£m	£m	%	days
Banks & building societies	2.52	-0.27	2.25	3.25-4.34	On call
Fixed Term		0.00	0.00		
Central Government		2.70	2.70	3.95	6
Total investments	2.52	7.43	9.95		

- 24 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.
- 25 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.
- 26 Bank Rate reduced from 4.5% to 4.25% in May, followed by a further reduction to 4.00% in August 2025. Short term interest rates have largely followed these levels. The rates on DMADF deposits ranged between 3.95% and 4.45% and money market rates between 3.25% and 4.34%.

COMPLIANCE

- 27 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.
- 28 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.
- 29 Compliance with specific investment limits is demonstrated in [Table 5](#) below.

Table 5: Investment Limits

Institution	Description	Limit	30.09.25 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	£2.25m	yes
Central Government	Debt Management Office (DMO)	Unlimited	£2.70m	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

- 30 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

	30.09.25 Actual £m	2025/26 Operational Boundary £m	2025/26 Authorised Limit £m	Complied?
Borrowing	15.32	28.99	30.99	Yes
Total debt	15.32	28.99	30.99	

- 31 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 INDICATORS

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

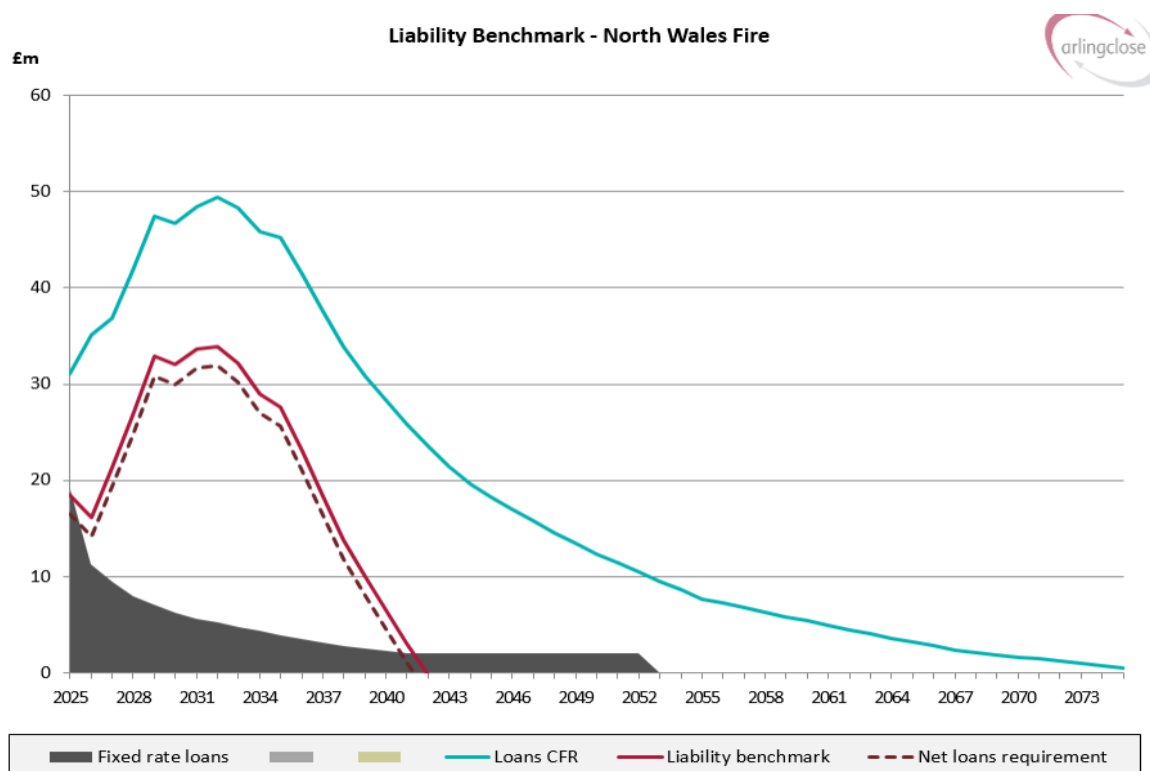
Liability Benchmark

- 33 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.
- 34 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.

	31.03.25 Actual £m	30.09.25 Actual £m	31.03.26 Forecast £m	31.03.27 Forecast £m
Loans CFR	31.01	24.83	35.20	36.90
Less: Balance sheet resources	-14.46	-14.46	-21.00	-17.50
Net loans requirement	16.55	10.37	14.20	19.40
Plus: Liquidity allowance	2.00	2.00	2.00	2.00
Liability benchmark	18.55	12.37	16.20	21.40
Existing borrowing	-19.07	-15.32	-9.40	-7.90

- 35 The above forecast does not include any costs for the proposed training centre.
- 36 Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £4m - £6m a year, minimum revenue provision on new capital expenditure based on the current asset lives, as per the accounting policy, income and expenditure increasing by inflation of 2.5% p.a. and a reduction in reserves. This is shown in the [chart below](#) together with the maturity profile of the Authority's existing borrowing.
- 37 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.

- 38 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 considered – 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

- 39 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:

	30.09.25 Actual	Actual Limit	Upper Limit	Lower Limit	Complied Y/N
<12 months	4.2	27.42%	60.00%	0.00%	Y
12 months and <24 months	1.2	7.83%	45.00%	0.00%	Y
24 months and < 5 years	3.00	19.58%	45.00%	0.00%	Y
5 years and <10 years		0.00%	75.00%	0.00%	Y
>10 years	6.92	45.17%	100.00%	0.00%	Y


- 40 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

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

IMPLICATIONS

Wellbeing Objectives	This report links to the Authority's long-term well-being objectives. Ensures that the purchase of assets to support front line service delivery is prudent, affordable and sustainable. 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 for capital financing in line with the Treasury report.
Legal	The regulatory framework is set out in paragraph 1.
Staffing	None.
Equalities/Human Rights/Welsh Language	None.
Risks	Investment of surplus funds – there is a risk that the financial institution in which the service's funds are invested could fail with a loss of part of the principal invested. However, one of the purposes of the report is to mitigate this risk.

Report to	Audit Committee	
Date	15 December 2025	
Lead Officer	Helen MacArthur, Assistant Chief Fire Officer	
Contact Officer	Elgan Roberts, Head of Finance and Procurement	
Subject	Budget Setting 2026/27	

PURPOSE OF REPORT

- 1 To provide Members with an update on the financial planning assessment to set a balanced budget for 2026/27 and seek endorsement to communicate the indicative levy to constituent local authorities.

EXECUTIVE SUMMARY

- 2 North Wales Fire and Rescue Authority (the Authority) is required to provide indicative figures for the 2026/27 financial levy to constituent local authorities by 31 December 2025 and confirm the final figures by 15 February 2026. To achieve this, the Authority will consider the revenue and capital budget for 2026/27 at its meeting on 19 January 2026. The budget planning process has been subject to scrutiny by the Budget Scrutiny Working Group and the current planning assessment of £54.375m has been confirmed.

RECOMMENDATIONS

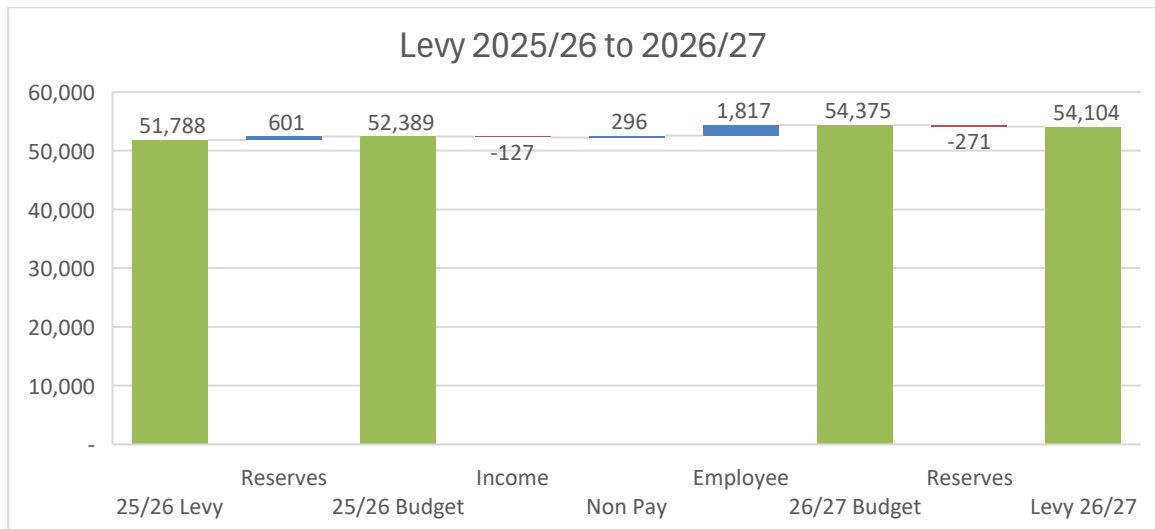
- 3 It is recommended that Members:
 - i) **Note the findings of the Budget Scrutiny Working Group, including the planning assumptions being used to develop the revenue budget for 2026/27;**
 - ii) **Note the current financial planning assessment of a revenue budget requirement of £54.375m and capital budget of £6.661m for 2026/27;**
 - iii) **Note the proposal to utilise £0.271m of reserves for 2026/27; and**
 - iv) **Endorse the communication of the draft financial levy of £54.104m from the constituent local authorities.**

BACKGROUND

- 4 Each year the Authority is required to set a balanced revenue budget which must be approved by the full Authority. The indicative financial levy must be communicated to constituent local authorities by 31 December each year and the final levy confirmed by the 15 February before the commencement of the financial year. To achieve these timescales, the 2026/27 proposed revenue and capital budgets will be presented to the Authority at its meeting on 19 January 2026.
- 5 The Chartered Institute of Public Finance (CIPFA) requires that organisations have financial plans which demonstrate how expenditure will be funded over the short and medium term. The Authority's financial sustainability is, therefore, underpinned by knowledge and understanding of the key cost drivers and evaluation of risks and uncertainties.
- 6 Following the ECR consultation, work is ongoing to improve rural availability; however, savings will not be realised as options involving cash releasing savings were not approved by the Authority. The Nucleus Crewing pilot at Porthmadog and Dolgellau will be monitored during 2026/27.
- 7 The process has been overseen by the Budget Scrutiny Working Group (the Group) which was established to provide scrutiny of the budget setting process.

INFORMATION

- 8 The Group was established by the Authority with representation from each constituent local authority. It has convened on five occasions to review all aspects of the North Wales Fire and Rescue Service's (the Service) expenditure. These meetings focused on key areas, including direct pay costs, non-pay expenditure, capital financing, interest, and lease arrangements.
- 9 Detailed budget planning has been conducted in line with the key planning assumptions, risks, and uncertainties outlined in [Appendix 1](#).
- 10 The initial detailed budget planning identified additional unavoidable pressures, which have since been addressed through the efforts of the Group. The final draft assessment establishes a budget requirement of £54.375m. After utilising £0.271m from reserves, the levy requirement for 2026/27 is £54.104m, representing a 4% gross increase in the local authority levy.



- 11 A draft breakdown of the levy requirement of £54.104m by each constituent local authority is set out within [Appendix 2](#).
- 12 The table below confirms reductions of £1.349m in the budget requirement identified through the work of the Group during the year.

£'m	2025/26	2026/27 Draft 1	2026/27 Draft 2	2026/27 Proposed Budget	Changes via Budget Scrutiny
Employees	36.915	39.152	38.844	38.732	0.420
Non-Pay	16.513	17.700	17.167	16.810	0.890
Income	-1.039	-1.128	-1.211	-1.166	0.038
Total	52.389	55.724	54.800	54.375	1.348

- 13 Employee costs are expected to increase from £36.915m in 2025/26 to £38.732m in 2026/27, representing a year-on-year rise of 4.9%. This figure includes an allocation of £0.352m to expand establishment capacity, in accordance with recommendations from the Fire Advisor for Wales and to ensure compliance with legislative requirements. Excluding these additional costs, the underlying year-on-year increase is 4%.
- 14 Provisions have been made to support the continued expansion of the Retained Duty System (RDS), thereby enhancing operational resilience. The annual cost of £0.163m includes funding for the recruitment of 15 additional posts, ensuring that response capacity and resilience are maintained.
- 15 Additional financial pressures resulting from the full-year impact of recruitment in 2025/26, staff progression from development to competent pay, and job evaluation have been mitigated through savings and reductions in employer contributions to the Local Government Pension Scheme.

- 16 The budget planning process incorporates key risks and assumptions, most notably that pay awards are based on an assumed inflation rate of 3.8%. Any settlement exceeding this rate will result in additional cost pressures beyond the current budget proposal. In such cases, internal measures will be implemented to mitigate the impact in the short term, including the use of the general fund and relevant earmarked reserves.
- 17 Non-pay costs are projected to increase from £12.012m in 2025/26 to a revised baseline of £12.309m for 2026/27. The utilisation of £0.271m of reserves for one-off expenditure reduces the total levy impact to £12.039m. The in-year increase includes the reclassification of certain capital expenditure as revenue following an internal review to ensure compliance with the CIPFA standards.
- 18 Income is projected to rise from £1.039m in 2025/26 to £1.166m in 2026/27. This additional income offsets pay and non-pay pressures by £0.082m and includes budgets for the sale of vehicles (£0.100m) and interest expected on investments (£0.037m). These gains are partially offset by a reduction of £0.092m in known grant funding and Service Level Agreements (SLAs).
- 19 A capital allocation of £6.661m is proposed for 2026/27; however, schemes will only progress once all associated business cases have been fully developed and subjected to rigorous scrutiny. Capital financing costs are forecast to remain stable at £4.501m, reflecting reductions in the Minimum Revenue Provision (£0.027m) and lease costs (£0.076m). These savings are offset by a £0.060m provision for Capital Expenditure from Revenue Account (CERA) and an increase in interest payable, driven by the reprofiling of the loan book towards longer-term borrowing to provide certainty and continuity.

FURTHER WORK

- 20 Business cases for new capital and non-pay funding will undergo further internal scrutiny to ensure they align with the organisation's strategic objectives, effectively mitigate risks, and comply with the principles of the Well-being of Future Generations Act 2015. This process will provide assurance that proposed investments contribute to long-term sustainability, deliver value for money, and support the wider goals of economic, environmental, and social well-being.
- 21 The draft financial planning assessment will be subject to further refinement and updated in the final assessment presented to the Authority at its meeting on 19 January 2026.

- 22 Treasury Management Strategy reports for 2026/27 are currently in development. Following consideration and approval by the Finance and Procurement Committee, these reports will be submitted to the Authority for scrutiny and endorsement at the Audit Committee in March, with final approval scheduled at the Fire Authority meeting on 20 April 2026.

IMPLICATIONS

Wellbeing Objectives	The proposals support the Authority's Improvement and Wellbeing Objectives by ensuring financial sustainability and service resilience.
Budget	The planning assessment confirms a budget requirement of £54.375m, with £0.271m of reserves applied to reduce the levy impact.
Legal	The Authority must set a balanced budget in compliance with statutory requirements and CIPFA guidance.
Staffing	Staffing costs represent over 70% of total expenditure. Key risks include pay award uncertainty, recruitment challenges for retained duty staff, and maintaining corporate resilience.
Equalities/Human Rights/Welsh Language	These issues will be factored into budget setting proposals.
Risks	Principal risks and uncertainties are detailed in Appendix 1.

Appendix 1

Summary of planning assumptions and risks

Heading	Planning assumptions used in budget setting	Risks/Uncertainties
Employee costs	<ul style="list-style-type: none"> Staffing budgets based on existing service delivery models and outcomes of the Emergency Cover Review (2023). Retained Duty System (RDS) budget assumes headcount continuation, not full establishment (approx. additional £3m if fully resourced). Additional RDS recruitment capped at 15 posts (was 30 in 2024/25). Pay award planning assumption: 3.8% inflation for all staff groups. 	<ul style="list-style-type: none"> The National Joint Council (NJC) has not yet reached agreement on the firefighter pay award for 2026/27. The budget planning assumes normal levels of activity. If spare conditions occur budget pressures will be experienced. The working assumption is that the General Fund would be utilised in the first instance. Recruitment challenges for RDS and high retirement levels could increase costs. Legal challenges on pension remedy (O'Brien/Matthews 2) may require additional administrative funding.

Heading	Planning assumptions used in budget setting	Risks/Uncertainties
Non-Pay	<ul style="list-style-type: none"> Budgets formulated using zero-based approach; new expenditure over £10k requires a business case. Inflationary pressures where known are factored into contracts and supply chain costs. 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. One off non-pay expenditure of £271k allocated to be funded through utilisation of reserves. 	<ul style="list-style-type: none"> 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 licences associated with software including business critical systems and insurance cost. The cost of gas and electricity has been a known cost pressure since 2022/23 due to global cost pressures. The position appears to have stabilised and the budget for 2026/27 is predicated on best estimates at this time. However, volatility in the market continues and this is carefully managed throughout the financial year with the current contract due to expire during 2026/27.

Heading	Planning assumptions used in budget setting	Risks/Uncertainties
Capital Financing	<ul style="list-style-type: none"> • The capital financing requirement for 2026/267 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 2026/27 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 4.6%. 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. This includes some provision for initial costs associated with the Training Centre Project to enable a detailed business case and funding model to be developed. 	<ul style="list-style-type: none"> • The increase in interest rates in recent years is a key risk area and is exacerbated as a number of loans require refinancing during the 2026/27 financial year. Financial modelling 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.
Income	<ul style="list-style-type: none"> • Income budgets have been reviewed and set in line with previous years, subject to inflationary increases. • Welsh Government grant assumes that remaining Welsh Government grant funding will be received at current levels. 	<ul style="list-style-type: none"> • No specific risks have been identified over and above the grant income from the Welsh Government for which inflationary uplifts are not anticipated. • Projected income streams (e.g., asset sales) are not guaranteed.

Appendix 2

Draft financial levy by local authority

Authority	ONS Population Estimate	2026/27 Budget £	2026/27 Utilisation of Reserves £	2026/27 Levy £	Increase in Levy %
Anglesey Council	69,097	5,389,578	-26,861	5,362,717	3.41%
Gwynedd Council	120,813	9,423,435	-46,965	9,376,470	5.13%
Conwy County Borough Council	114,891	8,961,518	-44,663	8,916,855	4.14%
Denbighshire County Council	98,202	7,659,773	-38,176	7,621,598	4.82%
Flintshire County Council	155,867	12,157,653	-60,593	12,097,061	3.74%
Wrexham County Borough Council	138,245	10,783,134	-53,742	10,729,392	5.30%
Total	697,115	54,375,092	-271,000	54,104,092	4.47%

Report to	Audit Committee
Date	15 December 2025
Lead Officer	Helen MacArthur, Assistant Chief Fire Officer
Contact Officer	Elgan Roberts, Head of Finance and Procurement
Subject	Update to Scheme of Financial Delegation



PURPOSE OF REPORT

- 1 To present the updated Scheme of Financial Delegation to Members of the Audit Committee for consideration and approval. This review ensures the Scheme remains fully aligned with current Financial Regulations and Contract Procedure Rules, strengthening governance and compliance across all financial and procurement activities.

EXECUTIVE SUMMARY

- 2 This report explains the rationale for updating the Scheme of Financial Delegation and summarises key changes, including revised financial limits, clearer roles, and improved operational efficiency.

RECOMMENDATION

- 3 That Members:
 - i) **Approve the updated Scheme of Financial Delegation.**

BACKGROUND

- 4 The Scheme of Financial Delegation has been reviewed by the Finance and Procurement Committee and discussed at Informal and formal SLT. These reviews ensured that the proposed changes were aligned with governance requirements and operational needs before being brought forward for formal approval.
- 5 The current Scheme of Financial Delegation, last updated in April 2023, defines financial limits and authorisation responsibilities for senior officers and departments. It underpins financial management, procurement, and contract award processes, ensuring decisions are made within approved limits and in line with regulatory requirements.

- 6 The updated Scheme of Financial Delegation limits is provided in [Appendix 1](#), and the current version is included in [Appendix 2](#) for reference.

INFORMATION

Rationale for Update

- 7 The Financial Regulations and Contract Procedure Rules have been reviewed and updated. The Scheme of Financial Delegation must reflect these changes to remain compliant.
- 8 The update clarifies delegated limits, roles, and responsibilities, reducing ambiguity and supporting effective decision-making.
- 9 Revised, consistent limits will streamline approvals and improve awareness.

Key Changes Proposed (2025 Draft)

- 10 **Updated Delegated Limits:** Financial thresholds for authorisation have been revised to reflect current operational needs and risk appetite. Most notably, the limit for Area Managers/Heads of Department has increased to £120,000 aligning with procurement, with the ability to delegate approval of up to £30,000 to Deputy Heads of Department or equivalent.
- 11 **Lease and Grant Awards:** A new provision sets delegated limits for lease and grant awards, ensuring proportional oversight and control.
- 12 **Simplified Layout:** The updated Scheme of Financial Delegation is more streamlined, with fewer categories/columns, due to improved built-in controls within the system and better understanding and compliance with the Contract Procedure Rules.
- 13 **Changes to Establishment:** Any changes to establishment or new posts require a business case approved through the budget-setting process. Any HR requirements, such as the Job Requisition Process, will still be necessary.

IMPLICATIONS

Wellbeing Objectives	The updated Scheme of Financial Delegation supports organisational wellbeing objectives by promoting transparency, accountability, and efficient decision-making.
Budget	Revised financial limits reflect current operational needs and risk appetite, enabling more responsive procurement and contract management. While no immediate budget increase is required, the changes will improve resource allocation and reduce administrative overheads.
Legal	Alignment with updated Financial Regulations and Contract Procedure Rules ensures compliance with statutory and governance requirements. This reduces exposure to legal challenges and strengthens audit assurance.
Staffing	Clearer delegated authority and approval processes will empower managers and reduce bottlenecks.
Equalities/Human Rights/ Welsh Language	The Scheme remains consistent with equality and Welsh language standards, ensuring inclusive practices in financial and procurement decisions. No adverse impact is anticipated.
Risks	Failure to adopt the updated Scheme could result in non-compliance with revised regulations, increased governance risk, and operational inefficiencies. Conversely, implementation mitigates these risks and enhances organisational control.

Appendix 1: Updated Scheme of Financial delegation

	Budget Changes	Revenue Expenditure and Contracts	Capital Expenditure			Specialist		Staffing			Grant Awards
Limits Up to:	FRA Budget transfers between budget headings	Individual Orders / Requisitions/ annual Orders. Supplier Contracts. Framework Contracts. General Contracts/SLAs (value over lifetime of contract). Includes direct awards (waivers)	All Capital Expenditure	Disposals (original cost)	Property or Equipment Leases {Grant/ Termination} Annual Value	Settlement of Legal Claims and Losses	Stock/ Equipment Write Off	Changes to Establishment / New Posts	Changes to Existing Posts	Secondments	Grant Awards
Fire and Rescue Authority	Reported in outturn report	By exception (AC to determine)	Approval of capital budget and in year reporting	Land & buildings: all	Land & buildings: all						Reported in outturn report
Chair of FRA		Reported									
Audit Committee		over £1.0m reported to Audit Committee									
Service Leadership Team			Review of capital plan	Land & buildings: all	Land & buildings: all			Approval of Business Case and subsequent HR Process (JRP)			
Treasurer	notification over £250,000		Review of capital plan	Land & buildings: all			over £5,000				
Chief Fire Officer	over £250,000	over £500,000	over £500,000	£1,000,000	Land & buildings: all	over £500,000					Over £50,000
ACFO-Finance & Resources	£250,000	£500,000	above £120,000 to £500,000			£500,000					£50,000
Principal Officers		£250,000	Sign off of capital bids	£250,000	Above £12,000 pa (except land and buildings)		£5,000 inform HoF&P		Sign off	Sign off	£25,000
Area Manager/Head of Department (SLT members)		£120,000 (across lifetime of contract)	Up to £120,000 once business case has been approved	£120,000	Up to £12,000pa		£1,000 inform HoF&P		*JRP	Yes	£12,000
Head of Finance & Procurement	£120,000		All orders	Informed - all	Informed -all	ACFO informed £120,000	£1,000		*JRP	Informed - all	Informed - all

Appendix 2: Current Scheme of Financial delegation

	Budget Changes	General Expenditure	Contracts		Capital Expenditure					Specialist			Procurement Waivers	Staffing		
Limits Up to:	FRA Budget transfers between budget headings	Individual Orders / Requisitions/ annual Orders or total contract value {unless otherwise noted}	Supplier Contracts. Framework Contracts. General Contracts/SLAs (value over lifetime of contract)	Grant Awards	Buildings & Engineering Works	Vehicles & Equipment	ICT: Telecoms, Systems, Software, Consultancy.	Disposals (original cost)	Property or Equipment Leases {Grant/ Termination} Annual Value	Settlement of Legal Claims and Losses	Stock/ Equipment Write Off	External Consultancy support. {Total Value for Duration Service	All Values	Changes to Establishme nt/ New Posts	Changes to Existing Posts	Secondments
Fire and Rescue Authority	Reported in outturn report	Reported in outturn report	By exception (AC to determine)	Reported	Approval of capital budget and in year reporting			Land & buildings: all	Land & buildings: all							
Chair of FRA			Reported													
Audit Committee			over £1.0m reported to Audit Committee													
Service Leadership Team					Review of capital plan			Land & buildings: all	Land & buildings: all					Sign off		
Treasurer	notification over £250,000				Review of capital plan			Land & buildings: all								
Chief Fire Officer	over £250,000	over £500,000	All	All	over £500,000			£1,000,000	Land & buildings: all	over £500,000			over £500,000	Sign off		
Principal Officers		£250,000	£250,000	For areas of responsibility	Sign off of capital bids			£250,000	Above £3,000 pa (except land and buildings)	over £1,000 inform HoF&P	Informed by SLT members > £10k Over £10,000	Sign off	Sign off	Sign off		
ACFO-Finance & Resources	£250,000	£500,000		All	above £80,000 to £500,000											
Area Manager/Head of Department (SLT members)		£80,000	up to £10,00 pa annum or one off costs up to £40,000	Informed	Up to £80,000 once business case has been approved			£40,000	Up to £3,000 pa		up to £1,000 inform HoF&P	£10,000	Sign off waiver request	*JRP	*JRP	Yes
Head of Finance & Procurement	£100,000			Informed - all	All orders			Informed - all	Informed - all	ACFO informed £80,000	up to £1,000	£10,000	40000 informed - all	Informed - all	*JRP	Informed - all



Gwasanaeth Tân ac Achub
Fire and Rescue Service

Scheme of Financial Delegation (SoFD)

This document is uncontrolled when printed. All users are responsible for checking to confirm that this is the current version before use.

Version:	3.0	Next review:	19 October 2028
Status:	For Approval	Issue date:	20 October 2025

1. Introduction

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

To support the Chief Fire Officer in fulfilling this duty, robust management arrangements must be in place to ensure public accountability and uphold high standards of financial integrity. The Scheme of Financial Delegation (SoFD) operates in accordance with the financial procedures and Contract Procedure Rules set by the Treasurer.

The SoFD defines the financial limits and reporting requirements under which the Chief Fire Officer, Principal Officers, and Senior Managers exercise delegated authority. Unless explicitly stated, no other officer has authority to approve or sign off transactions.

2. Types of Transactions

2.1 Budget Changes

Budget changes can only be actioned by the Head of Finance and Procurement. Approval over £120,000 (between service headings) requires sign-off by the Assistant Chief Fire Officer (Finance & Resources), and changes over £250,000 require Chief Officer approval.

2.2 Revenue Expenditure and Contracts

Approval of revenue expenditure (e.g., purchase orders) is managed within the financial system via authorisation pools. These pools allow further delegated authority to staff, with a maximum upper limit of £30,000 as agreed with budget holders.

2.3 Procurement Waivers

Waivers from Contract Procedure Rules may only be requested in exceptional circumstances where compliance is genuinely impractical (e.g., specialist goods or services with a sole supplier such as BT for certain phone lines). Waivers must never be used to avoid the rules. A full and clear justification is required, and time constraints alone will not be accepted.

All waiver requests must first be agreed by the Procurement and Contracts Manager, with the option to escalate to the Head of Finance and Procurement. Once agreed, the request must follow the standard approval process for revenue and expenditure. No procurement activity should begin until formal approval is received.

2.4 Capital Expenditure

As with general expenditure, capital expenditure approval is managed within the financial system via authorisation pools. The Head of Finance and Procurement approves all capital expenditure prior to approval by the relevant member of staff.

Disposal of land and buildings requires Senior Leadership Team and Treasurer approval, with Chief Fire Officer approval for entering into or terminating leases for land and/or buildings.

2.5 Legal Claims

Authorisation of payments, in the first instance, is via the Head of Finance and Procurement, with delegation to the Assistant Chief Fire Officer (Finance & Resources) and Chief Officer, depending on the value of the claim.

The Head of Finance and Procurement should be informed of all potential and outstanding legal claims to ensure these are correctly accounted for within the Service's financial position.

2.6 Stock/Equipment Write Off

Any stock that is due to be written off should be reported to the Head of Finance and Procurement. The write-off should state whether the items were funded from revenue, capital, or grant funding. Associated departmental asset registers should be amended to reflect the disposal, and a copy provided with the notification.

If stock has a value in excess of £1,000 (purchase price) in any financial year, approval by a Principal Officer is required, and in excess of £5,000 requires Treasurer approval. Writing off stock within Fleet or the main stores will impact a department's revenue budget.

2.7 Grant Awards

The Head of Finance and Procurement must be informed of all grant awards to ensure accurate reporting and to put appropriate financial arrangements in place. Grant awards have lower approval limits because of the specific terms and conditions attached to each grant.

2.8 Staffing

Any changes to the established budget that involve staffing must be supported by a business case approved through the budget-setting process. Following this, the appropriate HR process is required, which is currently the Job Requisition Process (JRP).

The JRP for existing posts requires line manager and Principal Officer sign-off for recruitment. Details of line managers are held within the Establishment Structure on the HR system, maintained by the HR Department. This means there is further delegated authority to other staff members, which is not documented within this SoFD.

All changes to hours, grades, or requests for job evaluation must be signed off by the budget holder and Principal Officer. Secondments also require budget holder and Principal Officer approval.

For audit purposes, written confirmation of the change must be provided to HR and Finance to ensure the relevant IT systems reflect the current establishment.

2.9 Delegated Authority

It is the responsibility of Heads of Department to ensure that the authorisation pools for their departments are accurate and kept up to date. A maximum of £30,000 may be delegated to Deputy Heads of Department or equivalent.

All changes to authorisation pools must be completed via Sunrise.

NWFRS Scheme of Financial Delegation

Scheme of Financial Delegation setting out the delegated financial limites for Senior Officers

Financial limits are subject to funding available within relevant budgets

All purchases must ensure compliance with Contract Procedure Rules with regard to the required quotation or tendering process

	Budget Changes	Revenue Expenditure and Contracts	Capital Expenditure			Specialist		Staffing			Grant Awards
Limits Up to:	FRA Budget transfers between budget headings	Individual Orders / Requisitions/ annual Orders. Supplier Contracts. Framework Contracts. General Contracts/SLAs (value over lifetime of contract). Includes direct awards (waivers)	All Capital Expenditure	Disposals (original cost)	Property or Equipment Leases {Grant/ Termination} Annual Value	Settlement of Legal Claims and Losses	Stock/ Equipment Write Off	Changes to Establishment / New Posts	Changes to Existing Posts	Secondments	Grant Awards
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Audit Committee		over £1.0m reported to Audit Committee									
Service Leadership Team			Review of capital plan	Land & buildings: all	Land & buildings: all			Approval of Business Case and subsequent HR Process (JRP)			
Treasurer	notification over £250,000		Review of capital plan	Land & buildings: all			over £5,000				
Chief Fire Officer	over £250,000	over £500,000	over £500,000	£1,000,000	Land & buildings: all	over £500,000					Over £50,000
ACFO-Finance & Resources	£250,000	£500,000	above £120,000 to £500,000			£500,000					£50,000
Principal Officers		£250,000	Sign off of capital bids	£250,000	Above £12,000 pa (except land and buildings)		£5,000 inform HoF&P		Sign off	Sign off	£25,000
Area Manager/Head of Department (SLT members)		£120,000 (across lifetime of contract)	Up to £120,000 once business case has been approved	£120,000	Up to £12,000pa		£1,000 inform HoF&P		*JRP	Yes	£12,000
Head of Finance & Procurement	£120,000		All orders	Informed - all	Informed -all	ACFO informed £120,000	£1,000		*JRP	Informed - all	Informed - all

General expenditure: Approval limits for other staff held by HoF as per authorisation pools

Grant awards: Sign off is also dependant upon grant conditions