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| Report to | Audit Committee |
| Date | 16 March 2026 |
| Lead Officer | Helen MacArthur, Assistant Chief Fire Officer |
| Contact Officer | Elgan Roberts, Head of Finance and Procurement |
| Subject | Audit Wales Financial Sustainability Report |



PURPOSE OF REPORT

- 1 The purpose of this report is to present Audit Wales Financial Sustainability Review and the Management Response.
- 2 The report enables the Audit Committee to review the findings and provide assurance regarding North Wales Fire and Rescue Authority's (the Authority) approach to medium and long-term financial planning.

EXECUTIVE SUMMARY

- 3 Audit Wales has concluded that the Authority is in a relatively stable financial position, supported by comparatively strong usable reserves. However, the review recommends that the Authority update and strengthen its medium-term and long-term financial planning framework.

RECOMMENDATIONS

- 4 It is recommended that Members:
 - i) **Note the Audit Wales Financial Sustainability Review;**
 - ii) **Consider and endorse the Authority's Management Response and associated action plan; and**
 - iii) **Support ongoing monitoring of progress through the Audit Committee's forward work programme.**

BACKGROUND

- 5 Audit Wales undertook a review of the Authority's financial sustainability under its statutory powers set out in Section 17(2)(d) of the Public Audit (Wales) Act 2004, which enables the Auditor General to examine how public bodies use their resources, and with regard to duties under the Well-being of Future Generations (Wales) Act 2015, which may inform reporting.

- 6 Fieldwork commenced in November 2025 involving a review of financial documentation, internal planning material, governance records, and the Authority's medium- and long-term financial planning arrangements.
- 7 As part of its evidence-gathering responsibilities, Audit Wales conducted interviews with key senior leaders to assess strategic intent, governance effectiveness, and operational application of financial oversight. These interviews included the Deputy Chair of the Authority, the Chief Fire Officer, the Assistant Chief Fire Officer, the Section 151 Officer, and the Head of Finance and Procurement.

INFORMATION

- 8 The Audit Wales Financial Sustainability Review is attached in full, setting out the findings, context, and recommendations arising from their assessment of the Authority's medium- and long-term financial planning arrangements. The report highlights areas of strength alongside opportunities to strengthen strategy, governance, and financial reporting.
- 9 The Management Response is also attached, detailing the planned actions, responsibilities, and timescales for addressing each of the Audit Wales recommendations.

IMPLICATIONS

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| Wellbeing Objectives | A financial planning framework supports long-term sustainability and ensures financial decisions enable safe and effective delivery of services. |
| Budget | Updates to financial reporting and planning processes will be met within existing resources. Any Implications and mitigations will be addressed through the budget setting process. |
| Legal | Ensure compliance with Local Government Act 2003, and Well-being of Future Generations (Wales) Act 2015. |
| Staffing | No immediate staffing implications. |
| Equalities/Human Rights/Welsh Language | All outputs and reporting will continue to be provided bilingually and in line with the Authority's statutory duties. |
| Risks | Implementing the recommendations will reduce strategic financial risk, improve transparency, and support effective decision-making. |