



**AUDIT AND RISK COMMITTEE UPDATE REPORT NOVEMBER 2025**

**For NOTING**

**Principal Officer: ACFO Richard Stanton**

**Report of the Chair of Audit and Risk Committee**

**Authored Chair of Audit, Interim Clerk and Democratic Services Officer**

**1. PURPOSE**

- 1.1. To provide the Authority an update on the work conducted by the Audit and Risk Committee at its meeting held on Monday 20 October 2025.

**2. RECOMMENDATIONS**

- 2.1. That members **Note** the work of the Audit and Risk Committee at its meeting held on Monday 20 October, as per the report.
- 2.2. That members **Note** the final minutes of the previous Audit and Risk Committee meetings held on Monday 30 June and Monday 21 July 2025, attached as **Appendix A** and **Appendix B**.

**3. OBJECTIVES & EXPECTED OUTCOMES**

- 3.1. To support greater transparency and consistency between the work of authority and its committees, Committee Chairs will provide a quarterly update to each Authority meeting, to include an Annual Report at the end of each municipal year.
- 3.2. The reports should provide assurance regarding the effectiveness of the Committee, including details of any training undertaken by its members.

#### 4. **CHAIR'S ASSURANCE STATEMENT**

The Committee discussed an error in the Treasury Management Strategy Statement where the Capital Financing Requirement was misstated as £31.1m instead of £22.8m. This error had for a number of years masked over-borrowing. Corrective action included early repayment of twelve PWLB loans totalling £14.8m, generating an estimated annual saving of £200,000.

The Committee also reviewed the "Our Promises" policy, which does not fully align with the NFCC Core Code of Ethics. It's recommended that the Authority ensure that they review these, alongside our behaviours and values, to ensure that there is confidence that the NFCC principles are reflected in all policies.

Other matters included a review of the Committee's Terms of Reference, Q2 Corporate Risk Assurance (deep dive in staff sickness), and internal audit progress. Notably, data shows female applicants are over 11 times more likely than male applicants to be unable to swim, and ethnic minority applicants are 13 times more likely than white applicants to be unable to swim. The next meeting on 8 December will cover budget discussions, Q2 treasury updates, and audit findings.

#### 5. **BACKGROUND**

5.1. The Audit and Risk Committee was established by the Fire Authority in January 2008. Its purpose is to provide:

- independent assurance on the adequacy of the risk management framework and the associated control environment,
- independent scrutiny of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to
- oversee the financial reporting process.

The committee's Terms of Reference (TOR) is linked within the background papers in section. A full review of the TOR has been undertaken and will now be brought to the Authority for inclusion

within the wider Constitution review – due to be completed in February 2026.

## 6. **OVERVIEW**

6.1. Following the last Fire Authority, the Audit and Risk Committee held a meeting, with both public and private items on the agenda, on Monday 20 October 2025.

### 6.2 **Monday 20 October 2025**

*In attendance: Cllr(s) Evans, Bayton, Idrees, Haq, and Barrie.  
Independent Member David Page.*

The full agenda pack can be accessed [here](#). Some of the key agenda items included:

#### 6.2.1 [Terms of Reference Review](#)

The Audit and Risk Committee were given a further opportunity to provide feedback on amendments within the current Terms of Reference, compare with industry standards and other FRAs, before they are brought to the Fire Authority meeting on Monday 24 November.

Members were asked to consider the range of best practice examples, including the CIPFA Position Statement on Audit Committees in Local Authorities and background papers in relation to the proposed updates to the Terms of Reference.

**Outcome:** All recommendations within the report were agreed subject to:

- the inclusion of the Internal Auditors suggestion of reference to upholding the Code of Ethics within the TOR.
- 8.11 to use the word demonstrate

#### 6.2.2 [Corporate Risk Assurance Report Q2 2025-26](#)

Members were provided with a three-month period update on the management of the authority's corporate risks.

The red risk related to Staff Sickness was highlighted to members. Kelly Harding (Head of People) provided assurance related to this corporate risk. Private Healthcare though salary sacrifice and/or collaboration work with the police to provide additional GP provision was being investigated. The Fire Authority may wish to consider allocating additional budget provision to enable the recruitment of an extra Brigade Doctor, strengthening occupational health capacity and resilience. Reports would include figures/data on the relevant risks in future updates and DVLA would be contacted to regarding their performance accreditation.

Head of Digital and Data was unable to attend due to an emerging digital situation on the morning of the meeting and would be invited to attend the next Committee meeting. All written questions submitted on the red risk would be answered and published on CMIS for transparency. The Mitigation plan for the implementation of swimming and driving requirements would be brought to the next Committee meeting in December 2025. Notably, data shows female applicants are over 11 times more likely than male applicants to be unable to swim, and ethnic minority applicants are 13 times more likely than white applicants to be unable to swim.

**Outcome:** It was agreed that the Head of Digital and Data will attend the next Audit and Risk meeting in December, to provide assurance around his corporate risk areas.

A full briefing on the cyber situation and any risks associated would be circulated to members.

All recommendations as per report were approved.

### 6.2.3 [Treasury Management Quarterly Update](#)

The Treasury Management quarterly management update for April – June 2025, compares actual activity to the planned strategy agreed by members at budget setting for 2025/26.

The Capital Financing Requirement stated in the Treasury Management Strategy Statement published in February 2025 was incorrectly reported as £31.1 million; the correct figure is £22.8 million. This error had for a number of years masked over-borrowing.

Twelve long-term PWLB loans (with a total principal value of £14.8m) were prematurely repaid on 31 July 2025. Early repayment premiums will be debited to revenue and early repayment discounts will be credited to revenue over the appropriate period in line with the Code. The net impact of the above is an annual saving in a full year of around £200,000.

**Outcome:** All recommendations as per report were approved.

#### 6.2.4 [Internal Audit Progress Report October 25](#)

The Committee was provided with an update on the delivery of the Internal Audit Plan for 2025/26. Included within this was a review of the service's Ethical Framework, including standards of conduct and the core code of ethics.

The Committee discussed the "Our Promises" policy, which was developed in 2024. It is noted that the Fire and Rescue Authority (FRA) did not approve this policy. It was identified that the Promises themselves does not fully align with the National Fire Chiefs Council (NFCC) Core Code of Ethics.

The NFCC Core Code of Ethics establishes five fundamental ethical principles intended to guide all Fire and Rescue Services. The Head of Human Resources confirmed that the Promises and Core Code of Ethics were being reviewed.

Considering this, the Chair recommended that the FRA adopt the NFCC Core Code of Ethics five ethical principles in full, instead of the unapproved "Promises", ensuring that all organisational policies and practices reflect these principles.

**Outcome:** All recommendations as per report were approved.

It was agreed that the Chair would highlight the issue of the lack of Authority input into the promises at the next Fire Authority meeting and request that changes be made to the ethical promises.

Other agenda items included a review of the Audit and Risk Committee Work Plan and a verbal update from the Chief Fire Officer on personnel matters within the exempt part of the meeting.

## 7. **FUTURE WORK**

7.1. The approved Committee work programme can be accessed [here](#). The programme outlines the planned agenda items for the 2025-26 municipal year.

7.2. The next committee meeting is scheduled for Monday 8 December with the following items planned:

- Draft discussion on the Authority's budget
- Treasury Management Report Q2
- Audit Findings Report
- Statement of Accounts
- Committee Members' Private meeting with External Auditors

## 8. **TRAINING**

8.1. Treasury management training was provided to the committee in October by an external provider.

8.2. Fraud awareness training will be provided to the committee in March 2026 by the Internal Auditors.

## 9. **IMPACT ASSESSMENTS**

9.1. No Initial EIA is required as this is an update report.

## 10. **LEGAL IMPLICATIONS**

10.1. There are no legal implications arising from this report or its appendices. All legal implications considered by the committee can be found within the reports pack taken to the committee (reports linked above).

## 11. **FINANCIAL IMPLICATIONS**

11.1. There are no financial implications arising from this report or its appendices. All financial implications considered by the committee can be found within the reports pack taken to the committee (reports linked above).

## 12. **ENVIRONMENTAL IMPLICATIONS**

12.1. There are no environmental implications arising from this report or its appendices. All environmental implications considered by the committee can be found within the reports pack taken to the committee (reports linked above).

## 13. **BACKGROUND PAPERS & APPENDICES**

- Appendix A - Audit and Risk Committee minutes - 30 June 2025
- Appendix B - Audit and Risk Committee minutes - 21 July 2025

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