West Yorkshire
Fire & Rescue Authority

Bradford Road, Birkenshaw
West Yorkshire, BD11 2DY

Our Ref: JT
Your Ref: Audit

Tel: 01274 682311 Ext: 671340
Email: committee.services@westyorksfire.gov.uk

Audit Committee

5 February 2026

Dear Councillor

West Yorkshire Fire and Rescue Authority – Audit Committee – **13 February 2026.**

You are requested to attend a meeting of the Audit Committee of the West Yorkshire Fire and Rescue Authority to be held in the Conference Room, Fire and Rescue Headquarters on Friday, **13 February 2026** at 10.30am.

If you are unable to attend the meeting I would be grateful if you could let me know at the earliest opportunity so that a substitute may be arranged.

Please ensure that your mobile phones are either turned off or put onto silent mode for the duration of the meeting.

Should you require any further information, please do not hesitate to let me know.

MMcC

Martin McCarthy
Clerk and Monitoring Officer
Martin.McCarthy@westyorksfire.gov.uk

Councillors:

Labour	Conservative	Liberal Democrat	Community Alliance
A Parnham (VC)	L Buckley	E Carlisle*	A Anwar*
K Renshaw (C)			
R Wood			

*E-papers

The Group meetings prior to the Committee Meeting are at 10am as follows:

Labour	Pod 4, 1st Floor

Agenda

Audit Committee

Date: 13 February 2026

Time: 10:30

Venue: FSHQ

Members of the Audit Committee are hereby summoned to attend the meeting which will be held on 13 February 2026 to transact the business set out below.

1. Minutes of last meeting held on 24 October 2025 (p 5)

(Enclosed)

2. Matters arising

3. Urgent items

To determine whether there are any additional items of business which, by reasons of special circumstance, the Chair believes should be considered at the meeting.

4. Admission of the public (p 11)

The Committee is asked to consider whether, by resolution, to exclude the public from the meeting during the items of business marked with ‘E’ reference, because of the possibility of the disclosure of exempt information.

5. Declarations of interest (p 13)

To consider any declarations of disclosable pecuniary interest in relation to any item of business on the agenda.

To Approve

6. Audit Findings (ISA 260) Report for West Yorkshire Fire and Rescue Authority (p 15)

(Enclosed)

7. External Auditors Annual Report 2024 - 25 (p 91)

(Enclosed)

To Note

8. Abridged Performance Management Report (p 125)

(Enclosed)

9. Risk and Business Continuity Management Quarterly Report (p 133)

(Enclosed)

10. Internal Audit Quarterly Report (p 137)

(Enclosed)

E11 Fraud Risk Assessments 2025 (p 155)

(Enclosed)

The taking of photographs, filming and sound recording of this meeting is allowed with the exception of any items marked with an “E” reference or where Councillors vote to exclude the public at any other time during the meeting.

Those persons present at the meeting who are invited to make spoken contributions should be aware that they may be filmed or sound recorded and their continued presence signifies agreement. People located in public seats will not be photographed, filmed or recorded without consent.

Minutes

Audit Committee

Date: 24 October 2025

Time: 10:30

Venue: FSHQ

Present:

Cllr Renshaw (in the chair) Cllrs Buckley, Carlisle, Parnham and Wood

In Attendance:

Gareth Mills, Greg Charnley **(**External Auditors Grant Thornton), Simon Straker (Internal Auditor, Kirklees)

Apologies:

Cllr Anwar, Paul Burnham (Independent Member Audit)

12.Minutes of last meeting held on 25 July 2025

Resolved
That the Minutes of the meeting held on 25 July 2025 be signed by the Chair as a correct record

13.Matters arising

There were no matters arising.

14.Urgent items

There were no urgent items.

15.Admission of the public

Resolved

That the public and press be excluded from the meeting during consideration of the items of business specified below as it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items, there would be disclosure to them of exempt information of the descriptions specified.

AGENDA ITEM NO.	TITLE OF REPORT	MINUTE NUMBER (to be added)	Description of exempt information by reference to the paragraph number in Schedule 12a of the Local Government Act 1972
E12	Risk and Business Continuity Management Annual Report	23	Paragraph 3 – financial or business affairs

16. Declarations of interest

There were no declarations of disclosable pecuniary interest in relation to any item of business on the agenda.

17. Informing the Audit Risk Assessment for West Yorkshire Fire & Rescue Authority (WYFRA)

The Director of Finance and Procurement presented a report detailing the final accounts and audit processes for 2024/25 and requesting approval of the Risk Assessment Document attached at appendix A to the report now submitted, which records the Executive Leadership Team’s responses to the auditors’ inquiries across key risk areas, to ensure robust governance.

Members challenged the report author on whether there are any guaranteed contracts and how Members could be assured of this.

The External Auditors commented that it is a comprehensive report which they welcome.

Resolved
That the Risk Assessment Document is approved and submitted to Grant Thornton.

18. Revised Statement of Accounts 2024/25

The Director of Finance and Procurement presented the revised Statement of Accounts for 2024/25 for Members approval following some minor amendments.

Members challenged the report author on how the adjustments arose and sought confirmation that cross checks are now in place alongside comprehensive training, both internally and from external partners, on the new processes connected to the treatment of leases within the accounts.

The External Auditors confirmed they will be looking closely at Minimum Revenue Provision (MRP) and leases following changes to the accounting processes and welcomed that the revised accounts had been brought to committee for approval.

Resolved
That the revised Statement of Accounts 2024/25 is approved.

19. External Audit Interim Annual Report 2024/25

Members considered a report from the External Auditors detailing the work completed for WYFRA during 2024/25.

Members received the report positively and discussed governance of the Tri Service Collaboration Board.

Resolved
That the report be noted

20. Abridged Performance Management Report

Consideration was given to a report of the Director of Corporate Services which informed members of the Authority's performance against Key Performance Indicators where targets are not being achieved during the period 1 April 2025 to 14 September 2025.

Members noted that although there had been more fires in derelict buildings than the same period last year, this was not a concern as West Yorkshire's figures are lower than the national average and the Service is working with partners to manage the 3 known hotspots. It was explained that although there is some correlation between derelict and deliberate fires it was difficult to determine the cause of fires in derelict buildings. It was also noted that the lease of one of the hotspots has been abandoned by the lease holder and has therefore reverted to the Crown who are attempting to secure its future.

Resolved
That the report be noted

21. Internal Audit Quarterly Report

The Director of Finance and Procurement submitted a report which provided a summary of the audit activity for the period July – September 2025.

In the period four audits have been completed; Bank Reconciliation, which received a Substantial Assurance Opinion, Wide Area Flooding and Swift Water Rescue Risk, Safe and Well Visits, IT Network Access Management, which received Adequate Assurance Opinions.

Members asked the committee to note that through personal experience the Safe and Well Visits are very thorough and the support provided is excellent. Members were assured that the team is working hard and that measures are in place to redress the backlog.

Members challenged the Head of DDaT regarding the security measures in place for the use of personal IT equipment, in particular removing access for leavers, which is currently a manual process but will be automated in future.

Members were pleased to note that the Internal Audit report template has been updated to provide increased visibility for Members to enable follow up of recommendations and that input from the water office has been received since writing the report

Resolved
That the report be noted.

22. External Audit Progress Report

Members considered a report from the External Auditors detailing the progress on the 2024/25 Audit and including sector updates.

Members challenged the External Auditors to confirm the approximate cost to replace the missing full year audit for 2023/24, as it is expected that the £27K offered by the government will not be sufficient.

It was noted that some local authorities have up to 5 years missing due to staffing shortages in External Audit but that improvements in provision were on the horizon.

Resolved
That the report be noted

23. Risk and Business Continuity Management Annual Report

(This item was considered exempt information under Schedule 12A (3) of the Local Government Act 1972 – financial or business affairs)

The Director of Corporate Services submitted a report which provided the current Risk Management and Business Continuity arrangements and the work undertaken to ensure effective delivery of the risk and business continuity policies. The report also provided the current Risk Management Matrix for approval.

Members challenged the report author to explain why there is no risk relating to war on the matrix and were pleased to note that the matrix is regularly reviewed by the Team.

Resolved
That the report be noted and the Risk Management Matrix be approved

Chair

AGENDA ITEM NO. **4**

DRAFT

EXCLUSION OF THE PUBLIC - SECTION 100A LOCAL GOVERNMENT ACT 1972

RESOLVED : That the public be excluded from the meeting during the item of business specified below as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during this time, there would be disclosure to them of exempt information of the description respectively specified.

AGENDA ITEM NO.	**TITLE OF REPORT**	**MINUTE NUMBER (to be added)**	**Description of exempt information by reference to the paragraph number in Schedule 12a of the Local Government Act 1972**
11	Fraud Risk Assessments 2025		Para 3 – Financial or Business Affairs

Disclosure of Disclosable Pecuniary Interests (DPI's)

1 Members present at the meeting who are aware that they have a DPI in a matter being considered must disclose the details of that DPI to the meeting unless it is already recorded on the Authority Members DPI Register.

2 Any Member with a DPI may not participate in any discussion or vote and under Authority Standing Orders is required to leave the meeting during any discussion or vote unless they have been granted a dispensation from exclusion from the meeting by the Executive Committee or in certain circumstances by the Monitoring Officer before any consideration of the item by the committee starts.

Footnote:

(1) Members are referred to the Authority Constitution and to the provisions of sections 30-34 of the Localism Act 2011 and to the statutory regulations made thereunder which define the meaning of a DPI.

(2) Members are reminded of the potential criminal sanctions and disqualification provisions under Section 34 of the Act applicable to breaches of disclosure and non-participation requirements.

(3) A Member with a sensitive DPI need not disclose the details of that interest with the Monitoring Officers agreement but must still disclose the existence of a DPI and must withdraw from the meeting.

Application for dispensation to vote

Attached is a blank "application for dispensation" form which Members of the Committee may use to seek the grant of an individual dispensation on any item on the agenda.

Where possible, the completed form should be returned to the Monitoring Officer in advance of the meeting so that he can consider whether a dispensation should be granted. Block dispensations affecting a significant number of Members will be referred to the Executive Committee for approval, if time permits.

West Yorkshire Fire and Rescue Authority

Sections 31 and 33 Localism Act 2011

Member Participation & Voting Dispensation Request

Section for completion by Member

Name of Member:

Correspondence/ email address:

Dispensation applied for: (1) Participation (2) Voting (3) Both

Details of Meeting/agenda Item:

Full details of why you are applying for a dispensation:

Signed:

Dated:

Please send your application to the Monitoring Officer at Fire & RescueService Headquarters Birkenshaw BD11 2DY – martin.mccarthy@westyorksfire.gov.uk

Section for completion by Monitoring Officer:

No in Register**:**

Received on:

Granted/ Refused

Reasons for refusal / Statutory Grounds relied upon for grant:

Audit Findings (ISA 260) Report for West Yorkshire Fire and Rescue Authority

Year ended 31 March 2025

5 February 2026

Report for Audit Committee

Cllr Renshaw
Chair of Audit Committee
West Yorkshire Fire & Rescue Service
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5 February 2026

Audit Findings (ISA260) Report for West Yorkshire Fire and Rescue Service for the 31 March 2025

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with Management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to manage risk, quality and internal control particularly through our Quality Management Approach. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at transparency-report-2024-.pdf (grantthornton.co.uk).

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Gareth

Gareth Mills, Key Audit Partner and Engagement Lead
For Grant Thornton UK LLP

Contents

01 Headlines

Headlines

This page and the following summarises the key findings and other matters arising from the statutory audit of West Yorkshire Fire and Rescue Authority (the 'Authority') and the preparation of the Authority's financial statements for the year ended 31 March 2025 for the attention of those charged with governance.

Financial statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice (the 'Code'), we are required to report whether, in our opinion:

- the Authority's financial statements give a true and fair view of the financial position of the Authority and its income and expenditure for the year
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report, is materially consistent with the financial statements and with our knowledge obtained during the audit, or otherwise whether this information appears to be materially misstated.

Our audit work was completed between September and January. As with prior years, we are pleased to report that there has been a good level of engagement from the Authority's finance team during the audit process.

This Audit Findings (ISA260) report will be presented to Audit Committee on 13 February 2026. Our anticipated financial statements audit report opinion will be modified with a qualification in respect of the Authority's opening reserves balances and the valuation of the Authority's LGPS and FPS defined benefit pension schemes. We have built back some assurance following the disclaimer of opinion during the prior year and this progress is set out in further detail overleaf. We intend to issue the audit opinion in late February 2026 following the Audit Committee meeting. The progress made in building back assurance, and that we now have two years of "in-year" audit assurance over 2023-24 and 2024-25 transactions, represents a good outcome for the Authority.

The Authority implemented the new IFRS 16 Leases accounting standard in 2024-25. Our work identified, that the Authority had produced its calculations as at 1 April 2023 whereas the Code requires transition to occur as at 1 April 2024. This misstatement has been adjusted for in the updated financial statements. In addition, in the draft accounts the Authority had not excluded all leases that fall within the scope of short-term exclusions from its IFRS 16 lease calculations, as required by the Code. This has also been adjusted for and is set out on page 44 of this report.

We have not identified any misstatements in the draft financial statements, which impact on the Authority's usable reserves and this represents another good outcome for the Authority.

Our work also identified some presentational and disclosure amendments which are detailed on pages 48 to 52 of this report. We have also raised three new recommendations for management as a result of our audit work. These are set out on pages 53 to 55. We have followed up on the recommendations raised in the prior year from page 56 through to page 58. We note that six of the seven recommendations raised in the prior year are satisfactorily resolved whilst one remains in progress with some further work required to implement these during the remainder of 2025-26.

Headlines

Financial statements (continued)

We have concluded that the other information to be published with the financial statements, including the Annual Governance Statement, is consistent with our knowledge of your organisation and with the financial statements we have audited.

Satisfactory conclusion of the audit and our proposed audit opinion is subject to the following outstanding matters: completion of internal quality review processes, including final reviews of the file by the Engagement Lead and Engagement Manager, specifically in respect of the significant audit risks of the closing valuation of land and buildings, journal entry testing and valuation of net balance in relation to the Authority's two defined benefit pension schemes.

- receipt of management representation letter
- review of the final set of financial statements to check agreed amendments have been processed
- updating our post balance sheet events review, up to the date of signing the opinion.

Headlines

National context – local audit recovery

In the audit report for the year ended 31 March 2024, a disclaimer of opinion was issued due to the backstop legislation. Due to backstop limitations, we were unable to obtain sufficient appropriate audit evidence over the Authority's opening balances as at 1 April 2023 (this was as a result of our predecessors issuing a disclaimed opinion on the 2022-23 accounts). Consequently, we were unable to satisfy ourselves over the in-year movements in the net pension balances and property, plant and equipment. This also resulted in uncertainty the closing balance of both the Local Government Pension Scheme net asset, the Firefighters Pension Scheme, and property, plant and equipment as at 31 March 2024. Similarly, we were not able to obtain assurance over the Authority's closing reserves balance as at 31 March 2024, also due to the uncertainty over their opening amount.

As a result, for 2024-25:

- we have limited assurance over the opening balances
- limited assurance over the closing reserves balance also due to the uncertainty over their opening amount.

Our aim for the 2024-25 audit has been to continue with rebuilding assurance, therefore our focus has been on in-year transactions including income and expenditure, journals, capital accounting, payroll and remuneration and disclosures; and closing balances.

In terms of progress made in 2024-25, we are satisfied with the closing balance of property, plant and equipment since we have completed work in 2023-24 and 2024-25 in respect of opening balances, additions, disposals and valuation work on the closing balance. In addition, we note that all land and building assets have been valued in 2024-25. In terms of LGPS pensions, we identified an issue in the prior year whereby work on membership data was not completed following the last triennial valuation in 2022-23. We have worked to progress and resolve this matter during this year's audit, however, we have encountered issues reconciling the data. We have therefore raised an auditor recommendation that management provide a reconciliation of this data as part of the 2025-26 working paper deliverables which is set out on page 54. Resolving this matter, along with a full triennial valuation being provided in 2025-26, will offer a path to rebuild assurance on the LGPS net balance in 2025-26. Our work to address the disclaimer of opinion on the FPS pension scheme liability (firefighters) remains ongoing at the time of writing, and we note that further work to rebuild the necessary assurance may be required during the 2025-26 accounts audit. We continue to have no assurance over the brought forward reserves balances. We note that to regain full assurance over the reserves may either require detailed audit work or a statutory override from the government (e.g. to accept 'deemed' brought forward balances).

On 5 June 2025 the National Audit Office (NAO) published its "Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06" for auditors which sets out special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions. The key messages outlined within this guidance include rebuilding assurance through:

- tailored risk assessment procedures for individual audit entities, including assessments over risk of material misstatements of opening balance figures and reserves
- designing and performing specific substantive procedures, such as proof-in-total approach
- special considerations for fraudulent reporting, property, plant & equipment, and pension related balances.

We will discuss with you our strategy for rebuilding assurance, in the light of this year's audit, as part of our planning for 2025-26.

Headlines

Value for money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice (the ‘Code’), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are required to report in more detail on the Authority’s overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Authority's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness
- Financial sustainability
- Governance.

We have completed our VFM work, which is summarised on page 60, and our detailed commentary is set out in the separate Auditor’s Annual Report. Our Interim Auditor’s Annual Report was reported to you on at Audit Committee on 24 October 2025, and our final version is due to be presented to February’s Audit Committee alongside this report.

We are satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Headlines

Statutory duties

The Local Audit and Accountability Act 2014 (the 'Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

We have completed the majority of work required under the Code. However we cannot formally conclude the audit and issue an audit certificate in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until until we have completed the work necessary in relation to consolidation returns, including Whole of Government Accounts (WGA), and the National Audit Office (NAO) notifies us that they have concluded their work in respect of WGA for the year ended 31 March 2025. This includes the certification by the Comptroller and Auditor General and at that point we are able to conclude that no further work is required to be undertaken in order to discharge the auditor's duties in relation to consolidation returns under paragraph 2.11 of the Code.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance and support provided by the finance team and other staff during our audit. The finance team have engaged in an excellent manner with our team as was the case in the prior year, however, we have found the overall process this year to be smoother which appears to be a product of a good and constructive working relationship between the WYFRA finance team and us as auditors.

Having been able to perform the 'full scope' level of audit work reflected in this report represents a good outcome for the Authority as many continue to be captured by the accounts backstop. This has been achieved through a continuation of good engagement demonstrated by the Authority's finance officers throughout the audit process and the tone from the top, by appropriately resourcing the finance function and communicating the importance of concluding the audit and VfM work in a timely manner. We would like to place on record our thanks for this level of joint working and cooperation.

Headlines

National context – Accounts Backstop

Local Authority accounts backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations required audited financial statements to be published by the following dates:

- For years ended 31 March 2025 by 27 February 2026
- For years ended 31 March 2026 by 31 January 2027
- For years ended 31 March 2027 by 30 November 2027.

The statutory instrument is supported by the National Audit Office's (NAO) new Code of Audit Practice 2024. The backstop dates were introduced with the purpose of clearing the backlog of historic financial statements and enable to the reset of local audit. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

Our response

Our audit findings are to be presented to Audit Committee in February 2026 following operational completion of detailed audit work in January 2026. We recognise that for the 2026-27 audit and accounts cycle, the backstop date has been set at 30 November and as such there is a requirement to complete our audit work to a more compressed timetable. As audit practitioners, we are developing strategies which should enable us to deliver our audit work to the revised national timetable and conclude and report our findings in advance of the backstop dates. Some of these initiatives include rebalancing remote, office and on-site audit work and frontloading more audit work to the planning and interim audit stages.

As a public sector audit practice, we will be working to achieve an earlier close in 2025-26 and are putting resourcing plans in place to support with this alongside other efficiency initiatives being built into our working practices. We shall work with the Authority's team over the coming year as we refine and optimise the external audit process with the aim of presenting our Audit Findings (ISA260) report alongside our Auditor's Annual Report with our value for money findings to Audit Committee in November 2026. There is an aim, to use the 2025-26 accounts and audit process as a 'dry-run' for the end of November 2026, one year ahead of the statutory date moving to 30 November 2027.

Headlines

Implementation of IFRS 16

Implementation of IFRS 16 Leases became effective for local government bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Local government accounts webinars were provided for our local government audit entities during March, covering the accounting requirements of IFRS 16. Additionally, CIPFA has published specific guidance for local authority practitioners to support the transition and implementation on IFRS 16.

Introduction

IFRS 16 updates the definition of a lease to:

- "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration."

In the public sector the definition of a lease is expanded to include arrangements with nil consideration. This means that arrangements for the use of assets for little or no consideration (sometimes referred to as peppercorn rentals) are now included within the definition of a lease.

IFRS 16 requires the right of use asset and lease liability to be recognised on the balance sheet by the lessee, except where:

- leases of low value assets
- short-term leases (less than 12 months).

This is a change from the previous requirements under IAS 17 where operating leases were charged to expenditure.

The changes for lessor accounting are less significant, with leases still categorised as operating or finance leases, but some changes when an authority is an intermediate lessor, or where assets are leased out for little or no consideration.

Impact on the Authority

As expected, the material impact on adoption of the IFRS 16 occurred in respect of the Authority's vehicle fleet, whereby approximately 270 vehicles were brought onto the Authority's balance sheet.

Since these are vehicles with an easily identifiable cost value and set lease term at acquisition, the IFRS 16 lease estimate is not subject to a high degree of judgement or estimation. The measurement basis for such a lease is considered straightforward given a specialist valuation is not required for vehicles. The only estimated element is the interest rate that is not commonly disclosed in the agreement. The Code makes provision for when the interest rate is not disclosed and instructs the Authority to use its incremental borrowing rate (commonly equated with the cost of borrowing from the Public Works Loan Board).

The Authority has not identified any instances where it is party to a building lease and equally no peppercorn leases (where nil consideration is payable) have been identified. This is consistent with knowledge of the Authority's buildings estates and its methods of asset acquisition whereby it only leases cars and light commercial vehicles and as such, no material issues have been identified in its approach to identify contracts that contain a lease (completeness procedures).

02 Materiality

Our approach to materiality

As communicated in our Audit Plan dated 16 April 2025, we determined materiality at the planning stage to be £1.1m based on 1.9% of the Fire and Rescue Authority's gross expenditure on the cost of services for 2023-24 based on the audited statement of accounts for the year then ended. At year-end, we reconsidered planning materiality based on the draft financial statements. We opted to increase materiality to £1.2m based on 1.9% of the Fire and Rescue Authority's gross expenditure on the cost of services as shown in the 2024-25 draft accounts with the increase in materiality having arisen due to an increase in the Authority's gross expenditure on the cost of services. As the time of this determination, we considered whether there was any one-off expenditure occurring in 2024-25 that should be deducted from Gross Expenditure when calculating materiality. We identified £11.95m of impairment charges relating to the initial valuation of the new headquarters, training centre and fire station that were non-recurrent and should be adjusted out from the materiality calculation. The Gross Expenditure we used in our calculation of materiality was therefore £11.95m lower than that shown in the 2024-25 draft accounts.

A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

- We determined materiality at £1.2m based on professional judgement in the context of our knowledge of the Fire and Rescue Authority, including consideration of factors such as prior year audit findings and consideration of the risks associated with the audit of the financial statements.
- We have used 1.9% of the current year's gross expenditure on the cost of services as the basis for determining materiality, reduced by £11.95m to account for one-off impairments.
- As communicated at the planning stage, the 1.9% measurement percentage is greater than the 1.6% used in the prior period. We reached this judgement on the basis that the 2023-24 statement of accounts was audited, compared with 2022-23 which was backstop disclaimed. In addition, our work in the prior year did not identify any indicators of material fraud of management override and there were no material adjustments to the outturn position or to useable reserves.

Performance materiality

- We have determined performance materiality at £0.84m, this is based on 70% of headline materiality. There has been no change to the level of performance materiality determined at the planning stage and the 70% remains consistent with the measurement percentage used in the prior period.
- The level determined reflects the fact that the Fire and Rescue Authority has a stable financial reporting team with a track record of preparing good quality financial statements, supporting working papers and engaging well throughout the audit process.

Specific materiality

- We have identified senior officer remuneration as a balance where we will apply a lower materiality level, as these are considered sensitive disclosures. We have set a materiality of £20k.

Reporting threshold

- This has been determined to be £60k, equivalent to 5% of headline materiality.
- We will report all misstatements identified in excess of this threshold to Audit Committee, in addition to any matters considered to be qualitatively material.

Our approach to materiality

A summary of our approach to determining materiality is set out below.

Materiality area	Authority (£)	Qualitative factors considered
Materiality for the financial statements	£1.2m	This equates to 1.9% the current year's gross expenditure on the cost of services based on the draft statement of accounts, reduced by £11.95m to account for one-off impairments. This is greater than the 1.6% used in the prior period. We reached this judgement on the basis that the 2023-24 statement of accounts was audited, compared with 2022-23 which was backstop disclaimed. In addition, our work in the prior year did not identify any indicators of material fraud of management override and there were no material adjustments to the outturn position or to useable reserves. These factors have indicated that increasing the measurement percentage to 1.9% is appropriate. Our overall risk assessment supports the 1.9% benchmark applied.
Performance materiality	£0.8m	Performance materiality has been set at 70% of financial statement materiality, consistent with the measurement percentage used in the prior period. This reflects our risk assessed knowledge of potential for errors occurring. Performance materiality is used for the purposes of assessing the risks of material misstatement and determining the nature, timing, and extent of further audit procedures. This is the amount we set at less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.
Trivial Matters (reporting threshold)	£60k	The amount below which findings would be clearly inconsequential both individually or in aggregate to any reader of the financial statements. This equates to 5% of headline materiality. We report all misstatements identified in excess of £60k to the Audit Committee.
Specific Materiality – Senior Officer Remuneration Disclosures	£20k	Due to the public interest in senior officer remuneration disclosures, we apply specific audit procedures to this work and set a lower materiality level for this area. We design our procedures to detect errors in specific accounts at a lower level of precision which we have determined to be applicable for senior officer remuneration disclosures. We evaluate errors in the remuneration report for both quantitative and qualitative factors against this lower level of materiality. We will apply heightened auditor focus in the completeness and clarity of disclosures in this area and will request amendments to be made if any errors exceed the threshold we have set or would alter the bandings reported for any individual.

03 Overview of significant and other risks identified

Overview of audit risks

The below table summarises the significant and other risks discussed in more detail on the subsequent pages.

Significant risks are defined by ISAs (UK) as an identified risk of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum due to the degree to which risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement if that misstatement occurs.

Other risks are, in the auditor's judgement, those where the risk of material misstatement is lower than that for a significant risk, but they are nonetheless an area of focus for our audit.

Risk title	Risk level	Change in risk since Audit Plan	Fraud risk	Level of judgement or estimation uncertainty	Status of work
Management override of controls	Significant	↔	✓	Medium	● Green
Closing valuation of land and buildings	Significant	↔	✗	High	● Green
Valuation of the defined benefit pension scheme net surplus (LGPS) and pension fund liability (FPS)	Significant	↔	✗	High	● Green
Presumed risk of fraud in revenue recognition (rebutted)	Rebutted the risks	↔	✗	Low	● Green
Presumed risk of fraud in expenditure recognition (rebutted)	Rebutted the risks	↔	✗	Low	● Green
Implementation of new leases accounting standard (IFRS 16)	Other	↔	✗	Low	● Green

↑ Assessed risk increase since Audit Plan
↔ Assessed risk consistent with Audit Plan
↓ Assessed risk decrease since Audit Plan

● Not likely to result in material adjustment or change to disclosures within the financial statements
● Potential to result in material adjustment or significant change to disclosures within the financial statements
● Likely to result in material adjustment or significant change to disclosures within the financial statements

Significant risks

Risk identified	Commentary

Management override of controls
Under ISA (UK) 240, there is a non-rebuttable presumption that the risk of management override of controls is present in all entities.
The Fire & Rescue Authority faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how it reports performance.
We therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.
	Our work focussed on key estimates and judgements made by management. No entity-specific fraud risks were identified and communicated in our Audit Plan dated 16 April 2025 and none have subsequently been identified from the audit fieldwork procedures performed.
	In response to this risk, we have conducted testing on journal entries where there has been the potential to manually input adjustments to the general ledger, with a focus placed on closing journal entries in the final accounting period and during the preparation of the financial statements as instructed by relevant auditing standards.
	We have also conducted a review of key accounting judgements and accounting estimates. No estimates or judgements have been identified as a fraud risk, and due statutory accounting overrides prescribed by the Code, we have not identified any incentives for management to fraudulently misstate relevant transactions and balances. No indictors of management bias have been identified from our work on judgements and accounting estimates.
	As part of our work, we have:
	• evaluated the design effectiveness of management controls over journal entries
	• understood the ledger integration with relevant sources and sub-systems to identify how management may be able to intervene in the journals posting process and post fraudulent entries
	• analysed the journals listing and determined the criteria to be applied in identifying high risk unusual journals
	• challenged management's key judgements and estimates and considered whether these judgements and estimates are individually or cumulatively indicative of management bias
	• identified and tested journals displaying the following characteristics for appropriateness and corroboration:
	    ○ unusual material journals made during the year, focussing on those posted at year end and during the accounts production stage
	    ○ journals late in the financial year that were crediting (reducing) non-pay expenditure
	    ○ journals posted by senior management personnel
	    ○ material additions to property, plant and equipment made at the end of the accounting period.
	• gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness
	• evaluated the rationale including the existence of underlying incentives for any changes in accounting policies, estimates or significant unusual transactions.
	Key findings
	Our audit work has not identified any issues in respect of management override of controls.

Significant risks

Risk identified	Auditor commentary and procedures performed
Closing valuation of land and buildings The Fire and Rescue Authority re-values its land and buildings on a rolling five-yearly basis in line with the Code requirements. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (some £72m for land & buildings) and the sensitivity of this estimate to changes in key assumptions. Additionally, management will need to ensure the carrying value in the Fire and Rescue Authority's financial statements is not materially different from the current value at the financial statements date, where a rolling programme is used. We therefore identified the closing valuation of land and buildings, as a significant risk, which was one of the most significant assessed risks of material misstatement.	The audited body engaged an external management expert from Avison Young to value its land & buildings estate, as in prior years. All land and building assets have been subject to a full revaluation and physical inspection by the valuer during 2024-25 with a valuation reference date of 31 March 2025. This means that all land and buildings have been valued at the balance sheet date by a qualified RICS-registered valuer and this minimises the estimation uncertainty in relation to the buildings valuations and reflects the good arrangements that the Authority has in place in respect of its land and building valuations. The overall carrying value of other land & buildings has increased by £24m from £72m to £96m. Of this change, £23m is attributable to the new estate that has been brought into use, reclassified as land and buildings and valued on a specialised basis. These buildings include the new Headquarters, Technical Rescue Training Centre and Spen Valley Fire Station. The Bingley Fire Station refurbishment at £0.8m has also increased the carrying value of the buildings' estate. Our work has not identified any material changes in the collective valuation of buildings which is considered to be consistent with the movement in the BCIS tender price index, relevant to specialised buildings, which showed annual growth of just under 2% at a headline level (considered to represent a small degree of cost inflation). Nearly all of the Authority's operational buildings have been valued as specialised assets on the depreciated replacement cost (DRC) valuation basis. We assessed the appropriateness of this valuation basis and concluded it was reasonable on the basis that over 90% of buildings are fire stations (remained at 40 since Spen Valley Fire Station has replaced Cleckheaton). Non-fire station assets include the new Fire Service Headquarters, Technical Rescue Training Centre buildings, Supplies and Transport building, Service Delivery Centre at Bramley (control centre) and Oakroyd Hall (clerical use). Two assets have been valued at existing use value including the Service Delivery Centre and Oakroyd Hall, recognising their non-specialised nature. The land portfolio has been valued on the existing use basis with reference to open market comparables, which is considered appropriate. We note that the Service Delivery Centre has now been decommissioned and earmarked as surplus post year end following a transfer of control operations to the new headquarters site. Similarly, Oakroyd Hall has also been taken out of use and earmarked as surplus post year end. Since both land and building assets remained in use at year end, we are content with their basis of valuation (value in existing use) and classification as land and buildings in the financial statements. In addition, Cleckheaton Fire Station has been decommissioned and reclassified as an asset held for sale at year end and we are satisfied that the IFRS 5 recognition criteria for an asset held for sale have been satisfied. **Key findings** As auditors we are satisfied that the valuation methodologies and assumptions adopted in the valuations are appropriate and compliant with the requirements of the Code. However, we did identify one variance in the gross internal area data between the Authority's estates records and that used in the building valuations. This was an isolated error where a smoke house had incorrectly been omitted from the calculation of the buildings' valuation. This has resulted in an error totalling £0.3m which is set out on page 47 of this report. Management has opted not to adjust for this on the grounds of materiality.

Significant risks

Risk identified

Valuation of pension fund net surplus (Local Government Pension Scheme) and pension fund liability (Firefighters Pension Scheme)

The Firefighters Pension Fund (FPS) liability, as reflected in its balance sheet as an overall defined benefit pension liability, represents a significant estimate in the financial statements. This is an unfunded scheme and therefore there are no pension assets. As a result, the FPS scheme will always represent a liability on the balance sheet.

The Firefighters Pension Fund liability is considered a significant estimate due to the size of the numbers involved (£1.03bn in the Authority's balance sheet) and the sensitivity of the estimate to changes in key assumptions. The Authority also has a share in the West Yorkshire Pension Fund Local Government Pension Scheme (LGPS), which is a funded defined benefit scheme carried on the Authority's balance sheet at £nil (reduced from a net pension surplus of £19.8m following the application of the IFRIC 14 net asset ceiling).

2024-25 is the second year that the Authority has had to consider the potential impact of IFRIC 14 - IAS 19 – the limit on a defined benefit asset. Because of this we have assessed the recognition and valuation of the LGPS scheme net pension surplus as a significant risk. A key aspect of our work planned is to consider whether this net surplus position remains supported by fund-level assumptions and market-based factors.

The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation.

The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.

The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the IAS19 defined benefit pension balance. In particular the discount and inflation rates, and life expectancy.

We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 defined benefit net pension balance estimate due to the assumptions used in their calculation and the application of IFRIC 14 and its impact on the valuation of the net pension surplus. Acknowledging the high degree of judgement and subjectivity associated with the defined benefit pension assumptions, we have therefore identified valuation of the Authority's pension fund defined benefit net pension balance as a significant risk (in respect of both LGPS and FPS).

Significant risks

Auditor commentary and procedures performed

Firefighters Pension Scheme – pension fund net liability - £1.03bn

Auditor commentary

We have observed a decrease in the gross FPS liability year on year of £110m, reducing from £1.14bn at 31 March 2024. The improvement in the position has arisen from as a result of an increase in the discount rate (0.9%), a significantly smaller increase in the CPI pension increase (0.1%) and decrease in the salary increase assumption (0.4%). Both the increase in discount rate and decrease in salary increase assumption reduce liabilities and these have been slightly offset by an increase in pension inflation (CPI) with the combination of movements leading to an overall decrease in the FPS pension liability on the balance sheet of around £110m or 10%.

As part of our work, we have:

- updated our understanding of the processes and controls put in place by management to ensure that the Firefighters Pension Scheme liability is not materially misstated and evaluated the design of the associated controls
- evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work
- assessed the competence, capabilities and objectivity of the actuary (GAD) who carried out the FPS pension fund valuation
- assessed the accuracy and completeness of the information provided to the actuary to estimate the liability
- tested the consistency of the pension fund liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary
- performed procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and we have performed any additional procedures suggested within the report

Key findings

Our work has not identified any issues in respect of the recognition and valuation of FPS defined benefit pension liabilities. There are no matters to report.

Significant risks

Auditor commentary and procedures performed

<u>Local Government Pension Scheme – pension fund net surplus capped at £nil (£19.8m before adjustment for asset ceiling) and unfunded liability £0.23m</u>

Auditor commentary

We have observed an improvement in the IAS 19 balance sheet position from a net surplus position of £5.3m in the prior year to a net surplus position of £19.8m in the current year, with both stated before the adjustment for the asset ceiling from the application of the IFRIC 14 standard. The improvement in the position has arisen from as a result of an increase in the discount rate (1%), a significantly smaller increase in the CPI pension increase (0.1%) and in the salary increase assumption (0.1%). The increase in discount rate reduce liabilities and this have been slightly offset by an increase in pension inflation (CPI) and salary increase assumption with the combination of movements leading to an overall increase in the LGPS net pension surplus on the balance sheet of around £15m.

As part of our work, we have:

- updated our understanding of the processes and controls put in place by management to ensure that the Authority's LGPS net surplus is not materially misstated and evaluated the design of the associated controls
- evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work
- assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation
- assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary
- performed procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and we have performed any additional procedures suggested within the report
- obtained assurances from the auditor of the West Yorkshire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.
- considered whether asset valuations were based on a 31 March 2025 valuation date.
- obtained and reviewed the IFRIC 14 calculation document directly from the Authority's actuary, including considering whether the Authority's future pension funding assumptions would give rise to no economic benefit that would support the capping the net pension asset at £nil on its balance sheet.

Significant risks

Auditor commentary and procedures performed

Additional commentary and work undertaken in respect of pension surplus position

LGPS Defined Benefit Pension Fund balance sheet position:

UK economic and market conditions have continued to give rise to circumstances for a LGPS funded net pension fund surplus to exist. The surplus position is consistent with the prior period, although the headline surplus has increased in magnitude to £19.8m. IFRIC 14 addresses the extent to which an IAS 19 surplus can be recognised on the balance sheet and whether any additional liabilities are required in respect of onerous funding commitments. IFRIC 14 limits the measurement of the defined benefit asset to the 'present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan'.

The audited body presented a pension asset of £nil in its draft accounts, consistent with its published accounts in the prior year. Prior to any application of the asset ceiling, the gross LGPS funded asset had increased this year due to a year-on-year increase in the discount rate on high-quality corporate bonds (assumption stipulated by IAS 19 accounting standard) alongside a significantly smaller increase in the inflation (pension increase) and salary increase assumptions. The gross LGPS funded pension asset rose from £5.3m to £19.8m.

During the preparation of the Authority's draft accounts, management obtained an IFRIC 14 calculation from its actuarial expert that satisfies the requirements of the accounting standard. The asset ceiling calculation presented by the actuary capped the LGPS net pension surplus at £nil as per IFRIC 14 principles on the basis that the future cash contributions that the Authority is required to make to the fund exceed the projected future service cost (the cost of providing the benefits accruing to members of the scheme). As such, no economic benefit is generated for the Authority from the existence of the net pension surplus and hence why the net pension surplus has been capped at £nil.

The calculation assumed a minimum funding requirement exists in respect of Local Government Pension Scheme (LGPS) which means that annual contributions to the scheme will continue to be required irrespective of the value of any net pension surplus. The calculation has also assumed that the LGPS will remain open to new members on an infinite basis and as such an annuity in perpetuity basis has been used in the calculation. Secondary (past service) contributions are nil from 2025-26 so there is not economic benefit or additional liability arising. Our work confirmed that the IFRIC 14 assumptions used were in keeping with the range of assumptions that were deemed appropriate by the CIPFA IFRIC 14 guidance and the commentary of PwC as the external auditor's expert.

An unfunded defined benefit liability of £0.23m continues to exist that should be recognised as a liability under IAS 19 in the accounts and we note that this has been appropriately accounted for and presented in the Authority's draft accounts. This relates to termination benefits made on a discretionary basis upon early retirement in respect of some members of the pension scheme. This amount should be recognised separately on the balance sheet irrespective of the pension fund asset position. Management has continued to account for the unfunded pension liability within pension liabilities at Note 38. We consider this accounting to be appropriate.

Significant risks

Auditor commentary and procedures performed

Additional commentary and work undertaken in respect of pension surplus position

Key findings

The IFRIC 14 net pension asset ceiling has been capped at £nil based on the principle that the future cash contributions to be made to the scheme by the Authority are greater than the projected service cost to the Authority from its participation in the pension scheme. This calculation outcome is signalling that the Authority is not expected to obtain any economic benefit from its share in West Yorkshire's LGPS pension fund being in surplus. It should be noted that this purely reflects the IAS 19 accounting position, and that that the assumptions applied for the purposes of determining the future funding requirements differ from those applied in the IAS19 valuation. There is the potential for the Authority to obtain some cash benefit following the next triennial valuation in 2025, which may involve reduced future contributions for example, but we understand that the triennial valuation and rates and adjustments certificate for 2025-26 and beyond remains in draft at this time and is subject to final agreement from the admitted bodies.

One adjustment to the disclosures at Note 38 has been identified arising from adjustment to the pension fund's statement of net assets. Management obtained an updated IAS 19 report that indicated an increase in the Local Government Pension Scheme funded gross pension asset of £579k. This adjustment to the disclosures is set out on page 51 on this report. There is an additional unadjusted misstatement arising from the audit of the pension fund, which totals £238k. This has remained unadjusted since management consider that this is immaterial to the financial statements. This is set out on page 52 of this report. As explained in the adjustment detail on the pages referenced, these misstatements have arisen from the audit work on the pension fund and do not reflect errors made during the preparation of the Authority's draft accounts. Due to the impact of the LGPS net pension surplus being capped at £nil, neither misstatement impacts on the Authority's balance sheet.

Risk rebutted

Risk identified	Auditor commentary and procedures performed
Presumed risk of fraud in revenue recognition Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition. Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Fire and Rescue Authority, as communicated in our Audit Plan dated 16 April 2025, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because: • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of public services bodies, including the Fire and Rescue Authority, mean that all forms of fraud are seen as unacceptable. Therefore, we do not consider this to be a significant risk for the Fire and Rescue Authority.	No changes to our assessment reported in the audit plan subsequently identified. Although we have rebutted the risk, we have undertaken standard audit procedures consistent with ISA (UK) for material streams of transactions, which include the following: **Accounting policies:** • Evaluated the Fire & Rescue Authority's accounting policies for recognition of income for its material income streams and compliance of recognition principles with the CIPFA Code. **Grant Income** • For grant income, we sample tested items for supporting evidence and checked the appropriateness of the accounting treatment in line with the CIPFA Code, including the treatment of credited to services and recognition as non-ringfenced other grant income. Regard to principal/agent considerations has also been given as part of our detailed testing. • For income raised from council tax and non-domestic rates, we have agreed the amounts recorded through to the precept letters published by the Fire & Rescue Authority and the precept notifications and schedule of payments received from each of the local authorities responsible for the collection of council tax and non-domestic rates from ratepayers. **Customer and Client Receipts** • Tested, on a sample basis, income transactions to supporting documentation and cash receipts to evidence the occurrence of these transactions. • Reviewed the customer and client receipts population for identify any high-value, unusual transactions outside of our expectations. Based on the nature of the Fire & Rescue Service's activities, we expect this population to comprise a high volume of low value transactions e.g. false alarm call out charges. We have performed detailed testing on those high value transactions in addition to random sampling of the whole population. • Designed and carried out appropriate audit procedures to ascertain that recognition of income is in the correct accounting period, for example, using cut off testing, focusing either side of the reporting date of 31 March 2025. **Key findings** Our work has not identified any issues in respect of the risk of fraud in revenue recognition.

Significant risks

Risk identified	Auditor commentary and procedures performed
Presumed risk of fraud in expenditure recognition Practice note 10: Audit of financial statements of Public Sector Bodies in the United Kingdom (PN10) states that the risk of material misstatement due to fraud related to expenditure may be greater than the risk of material misstatement due to fraud related to revenue recognition for public sector bodies. As per PN10, fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). Having considered the risk factors set out in PAF PN10 and the nature of the expenditure streams at the Authority, as communicated in our Audit Plan dated 16 April 2025, we have determined that the risk of fraud arising from expenditure recognition can be rebutted, because: • the Fire and Rescue Authority requires cash to meet its payroll and third-party payment obligations to number of contracted key suppliers with whom frequent recurrent transactions are made, which are followed by timely payments, usually within 30 days of receipt of goods. As such, regular bank payments are required to suppliers, which reduces any opportunity to exclude expenditure transactions from being reported in the general ledger. • the Fire and Rescue Authority has presented general fund reserves balances at outturn of £30m, which represents 28% of the £106.9m financial outturn. This exceeds the broad 5% target in the LG sector and as such the availability of reserves to fund the Authority's expenditure does not indicate excessive financial pressures.	No changes to our assessment reported in the audit plan subsequently identified. Although we have rebutted the risk, we have undertaken standard audit procedures consistent with ISA (UK) for material streams of transactions, which include the following: **Accounting policies:** • Evaluated the Authority's accounting policies for recognition of expenditure for its material expenditure streams and compliance of recognition principles with the CIPFA Code. • Updated our understanding of the Authority's business processes associated with accruing for relevant expenditure at the end of the accounting period. **Expenditure** • Agreed, on a sample basis, non-pay expenditure to supporting evidence to demonstrate occurrence and accuracy of expenditure recorded. • Obtained an understanding of the Goods Receipt Invoice Receipt (goods received not invoiced) and creditors closedown processes implemented to ensure that expenditure is accounted in the period to which it relates. • Undertook a detailed substantive analytical procedure on pay expenditure, including checking that changes in gross pay year on year were supported by underlying data including enacted pay awards and movements in workforce numbers. • Designed and carried out appropriate audit procedures to ascertain that recognition of expenditure is in the correct accounting period, for example, using cut off testing, focusing either side of the reporting date of 31 March 2025. • Disaggregated the non-pay expenditure transaction stream, identifying significant and recurrent expenditure sub-streams. Examples include non-domestic rates levied on the Authority's properties, the secure communication network annual licensing fees, annual maintenance, cleaning and IT contracts. An understanding as to the nature of the items of expenditure has been obtained as well as the principles applied in recognising and accounting for this expenditure. Substantive procedures were also performed on these sub-streams of expenditure transactions to test the occurrence and accuracy of the expenditure recognised. • Inspected a sample of accruals made at year end for expenditure but not yet invoiced to assess whether the value of the accrual was consistent with the value invoiced after the year end. **Key findings** Our work has not identified any issues in respect of the risk of fraud in expenditure recognition. There are no matters to report in respect of the expenditure recognition.

Other risks IFRS16

Risk identified

Implementation of new leases accounting standard (IFRS 16)

The adoption of the IFRS 16 leases standard for local authorities is mandated for local authorities, for periods beginning from 1 April 2024, and therefore this is required to be implemented by the Fire and Rescue Authority during its 2024-25 period of account.

From the adoption by local government of IFRS 16 leases on 1 April 2024, the distinction between operating and finance leases for lessees has been removed. Now all leases, apart from those that are deemed low value or short term, are accounted for on balance sheet by lessees. IFRS 16 has preserved the distinction between finance and operating lease accounting for lessors.

In the public sector, the definition of a lease has been extended to include the use of assets for which little or no consideration is paid, often called 'peppercorn' rentals. This is one instance where the right of use asset and its associated liability are not initially recognised at the same value. For peppercorn rentals, the right of use assets are initially recognised at market value. Any difference between market value and the present value of expected payments is accounted for as income, similar to the treatment of donated assets.

Auditor commentary and procedures performed

The Fire and Rescue Authority has adopted the leases standard from 1 April 2024. This new accounting standard has impacted on the Fire and Rescue Authority's accounting for what were previously known as operating leases, the majority of which relate to cars and light duty commercial vehicles. The Authority pays a fixed monthly payment for these leased vehicles for a term set out in the lease agreement and does not have an option to take possession at the end of the agreement. Since these are vehicles with an easily identifiable cost value and set lease term at acquisition, the IFRS 16 lease estimate is not subject to a high degree of judgement or estimation. The only estimated element is the interest rate that is not commonly disclosed in the agreement. The Code makes provision for when the interest rate is not disclosed and instructs the Authority to use its incremental borrowing rate (commonly equated with the cost of borrowing from the Public Works Loan Board). We are satisfied that the Fire and Rescue Authority has selected and applied an appropriate interest rate in its lease calculations.

As part of our audit work, we have:

- Challenged the completeness of the contracts identified by the Fire and Rescue Authority as containing a lease including employee salary sacrifice car lease schemes, to assess the completeness of arrangements identified as being within the scope of IFRS 16.
- Agreed disclosures presented in the financial statements to underlying accounting records and calculations.
- Reviewed management's lease accounting calculations and assessed the accuracy and appropriateness of the inputs and assumptions used including lease term, discount rate and annual rentals. We concluded that the assumptions used were appropriate and reasonable.
- Considered management's accounting for leases with little to no consideration payable annually, termed peppercorn leases. No such arrangements were identified by management and based on our review as auditors, we are materially satisfied with this judgement.
- Reviewed the appropriateness of the cost model adopted by the Fire and Rescue Authority on subsequent recognition of the right of use assets that were brought onto the Fire and Rescue Authority's balance sheet on initial recognition.
- Assessed the contracts deemed to fall within the scope of the low value (<£5k) and short life (<12 months) exemptions. We are satisfied with the judgements made and application of the low value exemption and we have made some comments on the short life exemption below.

Key findings

Our work identified that the Authority had accounted for leases under IFRS 16 that had less than 12 months remaining at 1 April 2024 but which were greater than 12 months at the time of inception. This treatment was incorrect since the Code required that any leases with less than 12 months remaining at the initial date of application (1 April 2024) were treated as short life and excluded from IFRS16 calculations.

In addition, in the draft accounts the Authority used an adoption date of 1 April 2023 and as such had produced its IFRS 16 lease calculations as at 1 April 2023 whereas the Code requires transition to occur as at 1 April 2024. This has resulted in the lease calculations being reperformed and adjusted in the updated version of the financial statements.

The net adjustment arising reduces the Authority's right of use assets by £124k and reduces the corresponding leases liabilities by £369k. Neither adjustment is set to impact on the Authority's general fund reserves balances.

This has been adjusted for by management and is set out as an adjustment to the financial statements on page 44 of this report.

04 Other findings

Other findings – key judgements and estimates

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors.

Key estimate	Summary of management's approach	Auditor commentary	Assessment
Valuation of land and buildings £96m at 31 March 2025	Other land and buildings comprises £92m of specialised assets such as fire stations, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision as existing buildings. The Authority's buildings portfolio includes 40 fire stations and a number of other assets including the new Fire Service Headquarters, Technical Rescue Training Centre buildings, Supplies and Transport building, Service Delivery Centre at Bramley (control centre) and Oakroyd Hall headquarters site (clerical use). The majority of buildings have been considered to be specialised in nature by management and their external valuation expert, and therefore have been valued using the depreciated replacement cost approach. Two assets have been valued at existing use value including the Service Delivery Centre and Oakroyd Hall, recognising their non-specialised nature. The land portfolio, comprising the land on which the fire stations and other buildings are sited, has been valued on the existing use basis with reference to open market comparables from the West Yorkshire area. The Authority has engaged Avison Young to complete the valuation of properties as at 31 March 2025 on a five yearly cyclical basis. In the draft accounts all land & buildings were physically inspected and revalued during 2024-25 as disclosed in the revaluations table shown at Note 14. The valuation reference date is 31 March 2025 which is coterminous with the accounting year end.	We have: • evaluated the design effectiveness of controls in place around the valuation • evaluated management's processes and assumptions for the estimate, the instructions issued to the valuation experts and the scope of their work • evaluated the competence, capabilities and objectivity of management's valuation expert (external RICS-registered valuers), concluding that they are competent, capable and objective • evaluated the challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding & written to the valuer to confirm the basis on which the valuation was carried out • tested revaluations made during the year to see if they had been input correctly into the Fire & Rescue Authority's CIPFA AssetManager.Net asset register • reviewed the assumptions used by the expert in the calculations, including the accuracy of internal floor areas. We agreed, on a sample basis, the internal floor areas to floorplan records held by the estates surveyor • for land valued on the existing use value (EUV) basis, obtained local market comparables to assess the appropriateness of land values selected by management's expert and used in the valuation calculations • reviewed the completeness and accuracy of the underlying information used to determine the valuation estimate • considered the valuation basis and method used to revalue assets, and ensured that the method is suitable for the type of land or building • for non-specialised properties valued on the existing use value (EUV) basis, obtained market comparables to assess the appropriateness of market rents and yields selected by management's expert and used in the valuation calculations We did identify one isolated error where a smoke house had incorrectly been omitted from the calculation of the buildings' valuation. This has resulted in an error totalling £0.3m which is set out on page 47 of this report. Management has opted not to adjust for this on the grounds of materiality.	**Green** We consider management's process is appropriate and key assumptions are neither optimistic or cautious ***(one unadjusted immaterial misstatement totalling £0.3m set out on page 47 of this report)***

Other findings – key judgements and estimates

Significant estimate	Summary of management's approach	Audit Comments	Assessment
Firefighters pension scheme liability £1.03bn (Prior year: pension liability £1.14bn)	The Fire & Rescue Authority's Firefighters Pension Scheme liability at 31 March 2025 is £1.03bn (PY £1.14bn). The Fire & Rescue Authority operates three pension schemes for firefighters, these are the 1992, 2006 and 2015 Firefighters Pension Schemes. The Fire & Rescue Authority engages Government Actuary's Department to provide actuarial valuations of their Firefighters Pension Scheme liabilities. A full actuarial valuation is required every four years. Whist the last full actuarial valuation was completed in 2020 this was only reported in December 2023 and experience reflected in the valuation as at March 2024. The estimate of the pension liability at 31 March 2025 is based on a roll forward of this 2020 valuation. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been an £113m net actuarial gain during 2024-25. This is due to an increase in the discount rate and decrease in the salary increase assumption. This has been partially offset by an increase in the discount rate.	We have: • Assessed the competence, capability and objectivity of management's expert, Government Actuary's Department (FPS) • Assessed the actuary's approach taken and deemed it reasonable • Used PwC as an auditor's expert (consulting actuary) to assess the actuary and assumptions made by actuary (see table below) • Confirmed the completeness and accuracy of the underlying information used to determine the estimate • Assessed the reasonableness of the increase in the liability estimate • Reviewed the adequacy of the disclosure of the estimate in the financial statements	● **Green** We consider management's process is appropriate and key assumptions are neither optimistic or cautious

Assumption	FPS Actuary Value (GAD)	* PwC comments	Assessment
Discount rate	5.65%	See below	● Green
Pension increase rate	2.70%	See below	● Green
Salary growth	3.45%	See below	● Green
Life expectancy – Males currently aged 45 / 65	22.7/21.3	See below	● Green
Life expectancy – Females currently aged 45 / 65	22.7/21.3	See below	● Green

- PwC has commented on the GAD assumptions as follows: *"We are comfortable that the methodologies used by GAD to establish assumptions will produce reasonable assumptions as at 31 March 2025 for all employers."*.

Our work has not identified any evidence to conclude that key forward-looking assumptions are not appropriate, in line with the table shown above. In addition, we have not identified any issues in respect of the recognition and valuation of FPS defined benefit pension liabilities. There are no matters to report.

Other findings – key judgements and estimates

Key estimate	Summary of management's approach	Auditor commentary	Assessment
Valuation of defined benefit net pension balance **(net pension asset capped at £nil and unfunded liabilities of £0.23m at 31 March 2025)** IFRIC 14 addresses the extent to which an IAS 19 surplus can be recognised on the Balance Sheet as an asset and whether any additional liabilities are required in respect of onerous funding commitments. IFRIC 14 limits the measurement of the defined benefit asset to the 'present value of economic benefits' available in the form of refunds from the plan or reductions in future contributions to the plan.	The Authority's Local Government Pension Scheme net pension surplus at 31 March 2025 is capped at £nil (uncapped £19.8m) and also £nil in the prior year (uncapped £5.3m) comprising balances which are part of the West Yorkshire Pension Fund Local Government Pension Scheme. There is a £0.23m defined benefit pension liability relating to LGPS unfunded and Teachers pension obligations (2024: £0.27m). The Council continues to engage Aon to provide actuarial valuations of the assets and liabilities derived from this scheme. A full actuarial valuation is required every three years which was undertaken as at 31 March 2022 for LGPS. A roll forward approach is used in intervening periods which utilises key assumptions such as life expectancy, discount rates, salary growth and investment return. Small changes in assumptions can result in significant valuation movements. There has been a £15.4m net actuarial gain for the Authority's LGPS pension balance during 2024-25. This improved position is largely a result of an increase in the discount rate with significantly smaller increase in the pension increase (CPI inflation) and salary increase assumptions.	We have: • Assessed the competence, capability and objectivity of management's expert Aon • Assessed the actuary's approach taken and deemed it reasonable • Used PwC as an auditor's expert to assess the actuary and the assumptions applied – please see the table below. The PwC report has also indicated that they are comfortable with Aon's methodologies used to establish assumptions and they will produce reasonable assumptions as at 31 March 2025 for all employers • Confirmed the completeness and accuracy of the underlying information used to determine the estimate including performing additional tests in relation to the accuracy of contribution figures, benefits paid, and investment returns to gain assurance over the roll forward calculation • Corroborated the 399m actuarial gain to PwC's commentary • Obtained assurances from the auditor of the West Yorkshire Pension Fund as at the controls surrounding the validity and accuracy of contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements. • Confirmed the adequacy of the disclosures in the financial statements and the consistency of the pension fund disclosures with the IAS19 report from the actuary.	● **Green** We consider management's process is appropriate and key assumptions are neither optimistic or cautious

Assumption	Actuary Value (Aon)	PwC comments	Assessment
Discount rate	5.80%	Assumption appears reasonable.	● Green
Pension increase rate	2.50%	Assumption appears reasonable.	● Green
Salary growth	3.75%	Assumption appears reasonable.	● Green
Life expectancy – Males currently aged 45 / 65	21.8/20.9	Assumption appears reasonable.	● Green
Life expectancy – Females currently aged 45 / 65	24.8/24.1	Assumption appears reasonable.	● Green

Key findings

Our work has not identified any evidence to conclude that key assumptions are not appropriate, in line with the table shown above. Detailed audit procedures and challenge of management with regards the IFRIC 14 pension asset ceiling calculation indicated a negative asset ceiling, to be capped at £nil as per IFRIC 14 principles, which is in line with the recognition and presentation in the draft accounts. Overall, we are satisfied with the judgements made by management and its recognition of the net pension asset along with the supporting disclosures made in the financial statements. One disclosure adjustment has been identified on page 51 of this report totalling £579k and there is a further unadjusted disclosure misstatement set out on page 52 of this report.

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management's approach	Auditor commentary	Assessment
Recognition and presentation of grant income (note 33) £115m in 2024-25	Management has taken into account three main considerations in accounting for grants, as set out in sections 2.3 and 2.6 of the Code: 1. whether the Authority is acting as the principal or agent and particularly whether it controls the goods or services before they transfer to the service recipient. Where the Authority has determined that it is acting as an agent and it does not recognise grant income. Conversely, where the Authority is acting as the principal and it has credited the grants and contributions to the Comprehensive Income and Expenditure Statement. Management's assessment considers relevant factors such as who bears credit risk and responsibility for any overpayments, who determines the amount, who sets the criteria for entitlement, who designs the scheme and whether there are discretionary elements. 2. whether there are conditions outstanding (as distinct from restrictions) that would require the grant to be recognised as receipt in advance, otherwise grant should be recognised as income 3. whether the grant is a specific or non-specific grant. General un-ringfenced and capital grants are credited to taxation and non-specific grant income and disclosed on the face of the CIES, whereas ringfenced grants are required to be credited to service revenue accounts. There may be judgements over the accounting treatment. Different conclusions may be reached by audited bodies depending on how they have applied any discretion in administering the schemes and application of Code guidance.	The Authority receives a number of grants and contributions and is required to follow the requirements set out in sections 2.3 and 2.6 of the Code. The main considerations are to determine whether the Authority is acting as principal or agent, and if there are any conditions outstanding (as distinct from restrictions) that would determine whether the grant be recognised as a receipt in advance or income. The Authority also needs to assess whether grants are specific, and hence credited to service revenue accounts, or of a general or capital nature in which case they are credited to taxation and non-specific grant income. As part of our audit work, we have performed the following: • substantively tested a sample of grants across categories and reviewed management's assessment as to whether the Authority is acting as the principal or agent • for the samples selected, we have reviewed the completeness and accuracy of the underlying information used to determine whether there are conditions outstanding (as distinct from restrictions) that would determine whether the grant be recognised as a receipt in advance or income • assessed, for the sample of grants received, whether the grant a is specific or non-specific grant (or whether it is a capital grant) – which impacts on where the grant is presented in the CIES (i.e. specific grants recognised above the line in net cost of services and non-specific grants recognised below the line in taxation and non-specific grant income) • assessed the adequacy of disclosure of grants received and judgement used by management as part of our detailed testing.	● **Green** We consider management's process is appropriate and key assumptions are neither optimistic or cautious

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management's approach	Auditor commentary	Assessment
Minimum revenue provision £3.6m in 2024-25 There continues to be an increased level of scrutiny from auditors following several cases of highly publicised financial challenges at certain public services bodies with some resulting in S114 notices. Many of these high-profile cases involve MRP charges that on reflection were deemed to be inappropriate. We have opted to comment on MRP in this report since it is our first year of audit at the Authority and this page sets out our view on the appropriateness the MRP provision made in 2024-25. It is our view that members reviewing and monitoring MRP charges annually is important as a matter relevant to their oversight of the financial reporting process.	The Authority is responsible on an annual basis for determining the amount charged for the repayment of debt know as its Minimum Revenue Provision (MRP). The basis for the charge is set out in the regulations and statutory guidance. The Authority publishes an MRP policy annually as part of its annual budget setting process, which is reviewed for compliance against statutory guidance and approved if concluded to be appropriate. The annual MRP charge for 2023-24 was £3.6m which was a increase of 1.1m on that charged in the prior year (£2.5m). This represents a 7% charge against the opening Capital Financing Requirement and a 6.4% charge against the average Capital Financing Requirement over the year. In addition to the MRP charge in year, the Authority has applied £13.8m of financing in year towards its capital expenditure, with £10.3m coming from the Capital Finance Reserve (held as an earmarked reserve) and £3.5m as a direct charge against the revenue budget. The impact of this £13.8m in-year financing is that this portion of capital expenditure has been fully funded from existing financial resources and this will not lead to an increase to borrow more in the future. As such, this is not likely give rise to additional financial stresses in future years. A total of £9.2m of the capital expenditure is unfinanced as at the year end. This will require financing in future years from either capital grants, one-off contributions from the revenue budget or useable reserves, or charged over time as minimum revenue provision.	• The MRP policy & calculation is compliant with all relevant requirements of DLUHC, MHCLG & the Prudential Code. • We compared the MRP charge as a percentage of the Capital Financing Requirement. For the Authority, the 7% charge in 2024-25 means that unfunded capital expenditure would effectively be 'paid for' over a period of 14.3 years if a straight line approach were used. • Assuming the direct revenue contributions and minimum revenue provision charged in 23-24 and 24-25 totalling £41.8m be set against the opening CFR in 23-24 of £41.3m, that leaves £34.3m of unfinanced spend from 23-24 on which MRP needs to begin to be charged in 24-25. The assets acquired have a total weighted average useful economic life of 18 years which would require an MRP charge of 5.5%. Noting these lives, the charge of 7% (equating to 14.3 years) would appear to satisfy the requirement to make a prudent provision for MRP. • The profiling of the MRP charges appears to be towards the middle end of the acceptable range. The Authority has applied a sinking fund (annuity) approach calculating the charge over the lives of individual assets. This takes into the account the time value of money with greater charges occurring in later years, which could be interpreted as pushing higher charges into the future. Our work has indicated that the profiling of charges is not overly aggressive. • We have assessed the MRP charge in the 2024-25 accounts to be a reasonably prudent charge that is compliant with statutory guidance and Secondary Legislation.	● **Green** We consider management's process is appropriate and key assumptions are neither optimistic or cautious

Other findings – Information Technology

Note the work performed here is in respect of the SAP IT system hosted and maintained by Kirklees Council. A joint piece of work was performed in respect of both the Kirklees Council and West Yorkshire Fire & Rescue audits and our comments and findings have been included below for your reference along with the management actions agreed with the IT function at Kirklees Council.

This section provides an overview of results from our assessment of the Information Technology (IT) environment and controls therein which included identifying risks from IT related business process controls relevant to the financial audit. This table below includes an overall IT General Control (ITGC) rating per IT application and details of the ratings assigned to individual control areas.

SAP was the only IT system in scope for the purpose of our IT audit work as per our audit plan dated 16 April 2025 and no changes have subsequently been identified.

We identified five findings from our work in respect of SAP which are detailed overleaf. We understand from our discussions with the IT management team at Kirklees Council that it is Kirklees Council's management's view that there are proportionate and adequate controls in place, and compensatory controls/second lines of defence are embedded in the Council's workflows and processes. Nonetheless we have opted to report these findings to members West Yorkshire Fire and Rescue Authority, as we did with Kirklees Council, since the SAP accounting system underpins the preparation of the financial statements and IT findings form part of the matters arising from our audit work routinely communicated with those charged with governance.

IT system	Level of assessment performed	Overall ITGC rating	ITGC control area rating		
			Security management	Technology acquisition, development and maintenance	Technology infrastructure
SAP	Detailed ITGC assessment (design effectiveness only)	● Green	● Green	● Green	● Green

Assessment:

- ● [Green] IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- ● [Grey] Not in scope for assessment

Other findings – Information Technology - SAP

	Assessment	Issue and risk	IT Audit Finding
1.	Green (low priority)	**Segregation of duties conflict as users have access rights to configure and delete audit logs in production** During our review of user access in the Council's main SAP system (the live production environment), we found 11 users who have two types of powerful permissions: • The ability to set up or change the system's audit logs (through a function called SM19), and • The ability to delete or reorganise those audit logs (through a function called SM18). Audit logs are important because they record who did what in the system. If someone can both change how these logs are created and delete them, there is a risk that important evidence of system activity could be altered or removed. Although audit logging is currently enabled and reviewed periodically, this control alone does not completely prevent or detect potential misuse by users with both types of access. **Risks** If audit logs can be changed or deleted by the same person who manages them, the Council might not notice unauthorised or unusual system activity in time. This could make it harder to investigate errors or security incidents.	To address this finding, it is our recommendation that the Council: • Removes the ability to set up audit logs and the ability to delete or reorganise them are given to different users; or • If it is not possible to fully separate these permissions (for example, for operational reasons), access should only be given temporarily and with formal approval, such as through a "Firefighter" or emergency access account that expires automatically. **Kirklees Council's Management response** *There is a limitation in SAP that prevents the Basis and HD One teams carrying out their duties if this segregation in is place.* *The Council has previously put in place has reasonable and proportionate controls to manage this risk which involves logging and regular monitoring by HD One Managers and evidence of this has been provided.*

Assessment:

- [Green] IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- [Grey] Not in scope for assessment

Other findings – Information Technology - SAP

	Assessment	Issue and risk	IT Audit Finding
2.	● Green (low priority)	**Users with inappropriate access to maintain all SAP Standard or Customised tables in production** As part of our review of system access, we identified 25 users who have the ability to change any table within the Council's SAP system (the live production environment). These tables store the data and rules that determine how the system operates, for example, how transactions are processed, how reports are generated, and how users are authorised. Having unrestricted access to change these tables means a user could (intentionally or accidentally) alter how the system functions. We checked whether any of these users made such changes during the audit period and found no evidence of changes made by them. **Risks** When users can change all tables in the live system, there is a risk that key data or system settings could be modified without approval, whether by mistake or on purpose. This could lead to errors in financial information or weaken system controls that protect against fraud or unauthorised activity.	To address this finding, it is our recommendation that the Council: • limit and separate this level of access so that no user can change every table in the system. Instead, users should only have access to specific tables that are relevant to their job responsibilities. This can be done by assigning access to named tables or groups of tables (rather than giving full access to all tables). **Kirklees Council's Management response** *There are reasonable proportionate controls in place to manage this risk which is the logging of all SAP access as standard. These logs are available for review at any time by managers and the Council's internal audit if required.*

Assessment:

- ● [Green] IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- ● [Grey] Not in scope for assessment

Other findings – Information Technology - SAP

	Assessment	Issue and risk	IT Audit Finding
3.	● Green (low priority)	**Segregation of duty conflicts between change developer in production** During our review, we looked at who can develop or build changes in the SAP system (in the "development" area) and who can move those changes into the live system where day-to-day operations take place. We found two users who had permission to do both. This means they could create a change and then move it directly into the live production system without anyone else checking or approving it first. We checked system records and confirmed that these users did not move any changes into production during the audit period. **Risks** Allowing one person to both develop and move changes into the live system can bypass normal checks and approvals. This increases the risk that unauthorised or incorrect changes could be made, which might affect how the system processes data or reports financial information.	To address this finding, it is our recommendation that the Council: • segregate a user's ability to develop and implement changes. Privileged access to the production environment should be revoked from users that are involved in development. • if for operational reasons access cannot be fully segregated, alternative options to mitigate the risk could include performing a review of change implementation activity logs. These should be regularly reviewed for appropriateness by an independent individual with evidence retained. **Kirklees Council's Management response** *As mentioned in previous years, we have reasonable and proportionate controls in place to manage this risk with a process to separate development and production roles. While it is noted that the individuals have 2 accounts (one for production and one for development), our process ensures that no individual carries out both roles for the same process.*

Assessment:

● [Green] IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope

● [Grey] Not in scope for assessment

Other findings – Information Technology - SAP

	Assessment	Issue and risk	IT Audit Finding
4.	● Green (low priority)	**Inadequate control over privileged generic accounts within SAP** During our review of powerful ("administrator") accounts in the Council's SAP system and its database, we found: • Two shared accounts were being used by the Council's external IT support provider, ABSOFT, to perform system work. • Three shared accounts had powerful access to the SAP database. Of these, one was used by ABSOFT, and two were used temporarily for system security testing. The testing accounts were disabled during the audit period. While the Council has a process to approve third-party access, we found no evidence that activities carried out through these shared accounts were being actively monitored or reviewed to ensure they were only used for legitimate, approved purposes. This same issue was raised in last year's audit. Management have noted that ABSOFT is a trusted vendor and believe the current controls are sufficient. **Risks** Shared or "generic" accounts are system logins used by more than one person. When these accounts have powerful access, there is a risk that unauthorised or inappropriate changes could be made to the system or data. Because several people can use the same account, it is impossible to trace actions back to a specific individual, making accountability and investigation difficult if something goes wrong.	To address this finding, it is our recommendation that the Council: • ensure all users, including third-party vendors, have individual named accounts rather than shared ones wherever possible. • review all existing shared or powerful accounts to confirm whether they are still needed, who uses them, and what controls exist to prevent misuse. • where shared accounts must remain (for example, for vendor support), access should be time-limited, tightly controlled, and actively monitored, using tools such as password vaults and audit logs to record activity. • periodically review all system access to ensure permissions remain appropriate and that users only have the level of access needed for their role. **Kirklees Council's Management response** *As confirmed in previous years, there are reasonable controls in place to manage risks associated with this item which are:* • *All activity by these accounts is recorded in SM20 and available for auditing and review if required.* • *The accounts are locked when not in use and access only granted by arrangement with the BASIS team.* • *Access includes registration of the named consultant that will connect to the system and confirmation of that at the time the connection is authenticated by our staff member managing the support request.*

Assessment:

● [Green] IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope

● [Grey] Not in scope for assessment

Other findings – Information Technology - SAP

Assessment | **Issue and risk** | **IT Audit Finding**

5.

Green (low priority)

Inadequate control over privileged generic accounts within SAP

During our review of powerful ("administrator") accounts in the Council's SAP system and its database, we found:

- Two shared accounts were being used by the Council's external IT support provider, ABSOFT, to perform system work.
- Three shared accounts had powerful access to the SAP database. Of these, one was used by ABSOFT, and two were used temporarily for system security testing. The testing accounts were disabled during the audit period.

While the Council has a process to approve third-party access, we found no evidence that activities carried out through these shared accounts were being actively monitored or reviewed to ensure they were only used for legitimate, approved purposes.

This same issue was raised in last year's audit. Management have noted that ABSOFT is a trusted vendor and believe the current controls are sufficient.

Risks

Shared or "generic" accounts are system logins used by more than one person. When these accounts have powerful access, there is a risk that unauthorised or inappropriate changes could be made to the system or data. Because several people can use the same account, it is impossible to trace actions back to a specific individual, making accountability and investigation difficult if something goes wrong.

IT Audit Finding

To address this finding, it is our recommendation that the Council:

- ensure all users, including third-party vendors, have individual named accounts rather than shared ones wherever possible.
- review all existing shared or powerful accounts to confirm whether they are still needed, who uses them, and what controls exist to prevent misuse.
- where shared accounts must remain (for example, for vendor support), access should be time-limited, tightly controlled, and actively monitored, using tools such as password vaults and audit logs to record activity.
- periodically review all system access to ensure permissions remain appropriate and that users only have the level of access needed for their role.

Kirklees Council's Management response

As confirmed in previous years, there are reasonable controls in place to manage risks associated with this item which are:

- *All activity by these accounts is recorded in SM20 and available for auditing and review if required.*
- *The accounts are locked when not in use and access only granted by arrangement with the BASIS team.*
- *Access includes registration of the named consultant that will connect to the system and confirmation of that at the time the connection is authenticated by our staff member managing the support request.*

Assessment:

- [Green] IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- [Grey] Not in scope for assessment

05 Communication requirements and other responsibilities

Other communication requirements

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit Committee. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been requested from the Authority, which will be presented to management and those charged with governance prior to giving the audit opinion. We have requested specific representations in terms of accounting for the LGPS net pension surplus at £nil (consistent with prior year) and information provided to us in in respect of equal pay claims. This recognises the increase in equal pay claims arising nationally and we are therefore obligated to obtain specific representations in this regard.
Accounting practices	We have evaluated the appropriateness of the Fire and Rescue Authority's accounting policies, accounting estimates and financial statement disclosures. A number of minor amendments were made to the accounting policies to enhance the transparency of the disclosures within the Accounts.
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the Authority's banks and counterparties that hold the Authority's deposits. This permission was granted and the requests were sent. These requests were returned with positive confirmation and no issues were noted.
Disclosures	Our review found no material omissions in the financial statements. Some presentational disclosure changes were identified and reported to management – these are listed on page 48 through to page 52 of this report.
Audit evidence and explanations / significant difficulties	All information and explanations requested from management. We would like to thank the Authority's finance officers for their help and support during the audit process.

Other responsibilities

<table>
<tr><th>Issue</th><th>Commentary</th></tr>
<tr><td>Going concern</td><td>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2024). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.

Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:
• The use of the going concern basis of accounting is not a matter of significant focus of the auditor’s time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity’s services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities
• For many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Authority’s financial sustainability is addressed by our value for money work, which is covered elsewhere in this report.

Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Authority meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:
• the nature of the Authority and the environment in which it operates
• the Authority’s financial reporting framework
• the Authority’s system of internal control for identifying events or conditions relevant to going concern
• management’s going concern assessment.

On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:
• a material uncertainty related to going concern has not been identified; and
• management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.</td></tr>
</table>

Other responsibilities

Issue	Commentary
Other information	We are required to give an opinion on whether the other information published together with the audited financial statements including the Annual Governance Statement and Narrative Report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect.
Matters on which we report by exception	We are required to report on a number of matters by exception in a number of areas: • if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported significant weaknesses. We have nothing to report on these matters.
Specified procedures for Whole of Government Accounts	We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions. The specified group reporting threshold is £2 billion. As in prior years, only limited work is expected to be required on this, as the Fire and Rescue Authority does not exceed the audit threshold in 2024-25.
Certification of the closure of the audit	We intend to delay the certification of the closure of the 2024-25 audit of West Yorkshire Fire and Rescue Authority in the audit report in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice, until we have completed the work necessary in relation to consolidation returns, including Whole of Government Accounts (WGA), and the National Audit Office (NAO) notifies us that they have concluded their work in respect of WGA for the year ended 31 March 2025.

06 Audit adjustments

Audit adjustments

Impact of adjusted misstatements

Three adjusted misstatements has been identified as shown on this page through to page 46. The tables below set out the impact on the primary accounting statements.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund (usable reserves) £'000	Impact on unusable reserves £'000
Accuracy of the accounting entries processed at the time of adopting the new leases accounting standard The Authority implemented IFRS 16 in 2024-25 with a transition date required by the Code of 1 April 2024. Whilst we note the Authority was successful in properly implementing the accounting standard in year, we have noted two factors which have led to an audit adjustment being identified. Whilst we note such an adjustment has been identified, we would highlight that this does not appear to be a reflection of the Authority's arrangements in place, since we note there appears to have been a good level of time and resource committed to the process of adopting this standard. It is also worth noting that a high number of our audited bodies have experienced audit adjustments relating to IFRS 16 this year, and this is often the case on adoption of a new accounting standard. • In the draft accounts, the Authority used an adoption date of 1 April 2023, when this should have been 1 April 2024. This has resulted in the lease calculations being reperformed and adjusted in the updated version of the financial statements. • The IFRS 16 standard requires that the mandatory short-term leases exemption be applied for leases with less than 12 months from the date of transition (1 April 2024). The Authority had only applied this for leases of less than 12 months from the date of inception of each lease. This has resulted in an adjustment being reflected in the updated version of the financial statements.	Debit (increase) service support expenditure £219k Reverse effect through the MiRS: Credit CIES (reduce expenditure) (£219k)	Credit (reduce) right of use assets (£216k) Debit (reduce) lease liabilities £435k	£nil	£nil	Credit Capital Adjustment Account (£219k)
Overall impact of adjusted misstatement	£nil	£219k	£nil	£nil	(£219k)

Audit adjustments

Impact of adjusted misstatements

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund (usable reserves) £'000	Impact on unusable reserves £'000
Accounting for amounts payable to the Pension Fund in respect of ill health retirements Our work identified costs payable by the Authority in respect of ill health retirements that were payable in future financial years but which had not been accrued at the year end. As at the end of March 2025, the amounts committed in 2024-25 that were required to be paid in future financial years totalled £341k. The Code requires that all employers' pensions costs are recognised in the Comprehensive Income and Expenditure Statement in line with generally accepted accounting practice. The Code stipulates however that these amounts should not be charged against general fund and instead should be reversed through the MiRS as a credit to general fund and the debit be charged to the pension reserve, which is held as an unusable reserve. Once local authority accounting statutory overrides have been considered the net impact of this transaction would be to increase the Authority's creditor balances by £341k with an equivalent increase to the debit balance held in the pensions reserve totalling £341k. We note that this does not impact on the Authority's useable reserves balances. Management has opted not to make this adjustment in the grounds that it is immaterial to the financial statements.	Debit (increase) service delivery expenditure (above the net cost of services) £341k Reverse effect through the MiRS: Credit CIES (decrease expenditure) (£341k)	Credit (increase) creditors £341k	nil	nil	Debit (increase) pensions reserve (£341k)
Overall impact of adjusted misstatement	£nil	(£341k)	£nil	£nil	£341k

Audit adjustments

Impact of adjusted misstatements

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund (usable reserves) £'000	Impact on unusable reserves £'000
Accuracy of revaluation entries on accounting for initial valuation and resulting impairment following the new Fire Service Headquarters being brought into use The new Fire Service Headquarters building was brought into use in 2024-25 and Management instructed its expert valuer to determine a Code-compliant land & building valuation, and it was subsequently valued as a specialised asset at depreciated replacement cost . Our testing on the revaluation entries processed in the Authority's fixed asset register identified that some components had been erroneously included in the calculation of the impairment loss. Elements relating to fixtures and fittings and IT equipment are carried at historic cost so should have been disregarded from the determination of the accounting entries. In this case, £1.1m of assets carried at historic cost were included in the impairment calculation. In the draft accounts this £1.1m was presented as a gain on revaluation credited to the revaluation reserve and this was subsequently impaired as part of the total impairment of £9.4m charged to the CIES. The £9.4m entry was then credited to general fund as part of its reversal through the MiRS entries debited to the capital adjustment account. This misstatement has been adjusted for by management. The adjusting entries have credited the CIES by £1.1m and removed the impact of the original entries on the MiRS and the capital adjustment account. The adjustment has also reversed the impact of £1.1m on the revaluation reserve. The effect of correcting this error is that the impairment charged to the CIES will now be £8.3m. This represents the difference between the £23m paid to construction the building (historic cost value) and its specialised valuation of £14.7m. This impairment is to be drawn out as an exceptional item on the face of the CIES – see commentary at the top of page 49 of this report.	Credit (decrease) service delivery expenditure (above the net cost of services) £1.1m Reverse effect through the MiRS: Debit CIES (increase expenditure) £1.1m	nil	nil	nil	Debit revaluation reserve £1.1m Credit capital adjustment account £1.1m
Overall impact of adjusted misstatement	£nil	£nil	£nil	£nil	£nil

Audit adjustments

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the audit which have not been made within the final set of financial statements. The Audit Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund (usable reserves) £'000	Impact on unusable reserves £'000
Variances identified in gross internal area (GIA) data used in the valuation of buildings that use the DRC basis of valuation As part of our detailed testing on the valuation of land & buildings, verifying the accuracy of source data used in the valuation, we performed work to agree a sample of gross internal areas back to the floorplans held by the Fire and Rescue Authority's estates function. Our sample testing identified one fire station where the smoke house on that particular site had not been included in the valuation of the buildings as it should have been. We considered whether other such errors may exist in the residual population but we are satisfied in this regard since the Authority remeasured all of its fire station buildings in the prior year and in addition we have completed a check that for all those fire station sites which feature a smoke house, the buildings valuation appropriately includes the smoke house component. The impact of including the smoke house in the total buildings' valuation would be an increase to property, plant and equipment – land and buildings of £0.3m. This would be transacted via a revaluation journal entry with a credit to expenditure (service delivery), and this entry would then be removed via the MiRS with the end result being a credit to the Capital Adjustment Account. We note that this unadjusted misstatement does not impact on the Authority's useable reserves balance.	Credit (decrease) service delivery expenditure (above the net cost of services) £0.3m Reverse effect through the MiRS: Debit CIES (increase expenditure) £0.3m	Debit (increase) land and buildings £0.3m	nil	nil	Credit capital adjustment account £0.3m
Overall impact of adjusted misstatement	**nil**	**£0.3m**	**nil**	**nil**	**(£0.3m)**

Audit adjustments

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Account balance / disclosure note	Misclassification or disclosure change identified	Adjusted?
Balance Sheet	The balance sheet line item for Assets Held for Sale totalling £1.08m has been reclassified from long term assets to current assets. This is to reflect that as per the classification as assets held for sale per the IFRS 5 accounting standard, there is a requirement for there to be an expectation that the sale will occur within one year from the date of classification.	✓
Note 13, Property, Plant and Equipment	Our work identified operational vehicles, plant and equipment assets totalling £6,186k held within assets under construction at 31 March 2025. Since these were in operational, we identified that these should be classified as vehicles, plant and equipment. This assets have been reclassified from assets under construction to vehicle, plant and equipment in the updated financial statements.	✓
Balance Sheet and Note 25, Short Term Creditors	In the draft accounts, note 25 presented £1.1m of revenue grant receipts in advance within short-term creditors. This presentation as short-term creditors was also reflected on the face of the Authority's balance sheet. There is a distinct requirement in the Code which requires grants for which the cash has been received but have not yet been recognised as grant income are to carried on the balance sheet as '*Grants Receipts in Advance*'. In this regard, we challenged management to consider the Authority's accounting for these grants and management has opted to adjust the classification of this balance in the financial statements. This balance totalling £1.1m has been reclassified from short term creditors to revenue grants receipts in advance in the updated financial statements.	✓
Various notes	Other minor disclosure amendments to improve financial reporting and transparency for the reader of the accounts.	✓

Audit adjustments

Misclassification and disclosure changes (continued)

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Account balance / disclosure note	Misclassification or disclosure change identified	Adjusted?
Comprehensive Income and Expenditure Statement	During the performance of our audit work, we considered the prominence of disclosures in relation the one-off impairment totalling £8.3m arising on the initial specialised valuation on the new headquarters buildings at the Oakroyd Hall/Fire Service Headquarters site. The affected buildings include Headquarters Building, Technical Rescue Training Centre, Spen Valley Fire Station. We challenged the Authority to ensure appropriate prominence was given to this transaction to recognise that it is highly material and non-recurrent in nature. The proposed adjustment is to reclassify this expenditure from service support expenditure and present this material transaction on its own "exceptional item" line to elevate its prominence to readers of the financial statements whilst remaining above the net cost of services line. We note that adjustment does not impact on the bottom-line financial outturn shown on the CIES and also does not impact on the Authority's reserves balances.	✓
Note 31, Officers' Remuneration	In the disclosure note 31 for senior officers' remuneration, our work identified some inconsistencies between the prior year comparative disclosures shown in the draft financial statements and the audited financial statements in the prior year. Management has reviewed and updated the prior year comparatives in the draft financial statements to achieve accuracy in the remuneration values disclosures.	✓
Note 14, Revaluations and Impairments	Our work identified £0.4m of assets held within the land & buildings column that has been shown in this revaluation timing table as being valued at DRC as at 31 March 2025, that were actually held at historic cost. This note has been adjusted to reduce the value of assets valued at DRC as at 31 March 2025 by £0.4m and increase the value of assets held at historic cost by an equivalent £0.4m.	✓
Note 40, Contingent Assets	This disclosure note has been removed from the updated financial statements since the contingent assets disclosed were already held on the Authority's balance sheet and therefore it was not considered to be appropriate to also reflect these as contingent assets.	✓

Audit adjustments

Misclassification and disclosure changes (continued)

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Account balance / disclosure note	Misclassification or disclosure change identified	Adjusted?
Note 36, Leases	The Authority implemented IFRS 16 in 2024-25 with a transition date required by the Code of 1 April 2024. Whilst we note the Authority was successful in properly implementing the accounting standard in year, we did note three presentational adjustments in relation the disclose notes connected with the IFRS 16 lease liabilities, as set out below: • the opening adjustment showing the financial impact arising on adoption of the new standard is required be shown separately from in-year additions for right of use assets and lease liabilities • a disclosure is required to show a reconciliation of the opening lease liability through to the closing lease liability, showing the movement in year and the effect of in-year transactions • a further disclosure is required to show how closing operating lease commitments in the prior year can be reconciled through to the opening IFRS 16 lease liability in the current year. This note is expected to include reconciling items such as short-term and low value leases which will have been included within prior year operating leases but are exempted from the impact of IFRS 16. In addition, the prior year disclosure note will have shown cash commitments whereby the IFRS 16 lease liability is presented on a discounted basis.	✓
Cash Flow Statement Note 22, Cash Flow Statement – Operating Activities Note 23, Cash Flow Statement – Investing Activities	Adjustments have been identified to accurately reflect the Authority's cash flows in year as described below: • In the draft accounts closing interest receivable added instead of deducted from opening interest receivable. Since an interest receivable debtor is deemed a cash outflow, we consider that this balance should be deducted to determine the value of the cash inflow • The adjustment for revenue grants receipts in advance has been adjusted through debtors in the cash flow statement workings and this has been reflected in the cash flow statement. Since revenue grants receipts in advance is a creditor (liability), this should be adjusted through creditors rather than debtors • When determining the cash outflow expended on the purchase of property, plant and equipment in year, capital creditors are adjusted for since these represent cash that is owed at year end and as such is not a cash outflow. Our work identified that some capital creditors that should have been included in the adjustment had been missed. £0.3m of capital creditors had been identified, however, our work identified closing capital creditors of £0.9m. We consider that the Authority should undertake an additional review to identify all relevant closing capital creditors that need to be adjusted for in determining the cash outflow attributable to the purchase of property, plant and equipment.	✓

Audit adjustments

Misclassification and disclosure changes (continued)

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Account balance / disclosure note	Misclassification or disclosure change identified	Adjusted?
Note 8, Expenditure and Income Analysed by Nature	Our work identified £0.6m of revaluation losses and reversals that were presented within the line for Other Service Expenses, however, based on their nature it was expected that such charges would be presented within the line for Capital Charges. We discussed this classification with Management on the basis that impairments, depreciation and other capital expenses are included within the line for Capital Charges and revaluation losses and reversals also meet this definition. The impact of this adjustment is to reduce Other Service Expenses by £0.6m and increase Capital Charges by £0.6m. The prior year comparatives have also been updated for consistency. This adjustment has no impact on the Authority's income and expenditure outturn position.	✓
Note 38, Defined Benefit Pension Schemes	Following discussions with West Yorkshire Pension Fund, Management identified post draft accounts that the Pension Fund's assets had increased by 0.6% for year ended 31 March 2025. Management obtained an updated IAS 19 report that indicated an increase in the Local Government Pension Scheme funded gross pension asset of £579k. We have not identified any impact on the Authority's balance sheet due to the application of IFRIC 14 which has resulted in the LGPS net pension surplus being capped at £nil and a nil balance position recorded on the balance sheet in respect of the funded LGPS net pension balance. Therefore, this misstatement only impacts on the disclosures at Note 41 to the accounts. Management has adjusted the accounts to reflect this change in the amounts disclosed at Note 38 to the accounts by increasing the value of the gross pension asset disclosed by £579k with a corresponding increase to the value of the unrecognised asset.	✓

Audit adjustments

Unadjusted Misstatements - Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have not been adjusted for in the final version of the financial statements. The Audit Committee is required to approve management's proposed treatment of these misstatements that are to remain unadjusted.

Account balance / disclosure note	Misclassification or disclosure change identified	Adjusted?
Note 38, Defined Benefit Pension Schemes	Following discussions with the auditor of the West Yorkshire Pension Fund, we identified a extrapolated error arising from their testing totalling £238k once the gross error had been multiplied by West Yorkshire Fire and Rescue Authority's share of pension assets (estimated at 0.48%). If adjusted for, this extrapolated error would increase the Authority's share of the gross LGPS pension scheme assets. We have not identified any impact on the Authority's balance sheet due to the application of IFRIC 14 which has resulted in the LGPS net pension surplus being capped at £nil and a nil balance position recorded on the balance sheet in respect of the funded LGPS net pension balance. Therefore, this misstatement only impacts on the disclosures at Note 38 to the accounts. If the adjustment were made, it would impact on the amounts disclosed at Note 38 to the accounts by increasing the value of the gross pension asset disclosed by £238k with a corresponding increase to the value of the unrecognised asset. We understand that management has opted not to adjust for this error on the basis that it has arisen from an extrapolation rather than a factual error and it is not material to the financial statements.	✗

Action Plan

We set out here our recommendations for the Authority which we have identified as a result of issues identified during our audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
● Medium	**Intangible assets – Command and Control System – establishing an appropriate valuation once brought into use** Over recent years, the Authority has been developing a new Command and Control system, which we understand has become operational during the 2025-26 financial year. The Authority has expended approximately £2.5m on this new system and it has principally been developed by a single external specialist supplier. The Code requires intangible assets to be valued at cost less any impairment loss. During the performance of our audit procedures, we discussed with the finance team whether any impairment had been identified to date. We also made enquires about the potential cost estimate of a system that delivers equivalent economic benefits for least cost. We were informed of a range of potential point estimates and this range was material thereby introducing a degree of estimation uncertainty in selecting a replacement cost value on which an impairment assessment can be conducted. We consider that further analysis is required from the Authority to conduct this impairment assessment once brought into use in the 2025-26 financial year to ensure the carrying value of intangible asset is appropriate and materially accurate in future accounting periods. This asset is valued at cost as at 31 March 2025.	We recommend that the Authority considers whether it can obtain a form of external professional valuation of this Command and Control System at the date it was brought into use and ceased to be held as an asset under construction. Recognising that this is material to the financial statements and the first such intangible asset held by the Authority, we consider that this should minimise estimation uncertainty when we begin our financial audit of the carrying value and such a valuation would support us to obtain the necessary level of assurance required on a material balance sheet line item. Management response ***As recommended, the Authority will seek external an external professional valuation of the Command and Control System at the date it was brought into use.***

Key

● High – Significant effect on control system and/or financial statements

● Medium – Limited impact on control system and/or financial statements

● Low – Best practice for control systems and financial statements

Action Plan

We set out here our recommendations for the Authority which we have identified as a result of issues identified during our audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
● Medium	**Accuracy and completeness of Local Government Pension Scheme membership data provided to the Authority's actuary** In the prior year, one factor behind our disclaimer of opinion was that we were unable to obtain assurance over the accuracy and completeness of LGPS membership data submitted to the actuary in 2021-22 for use in the 2022 triennial valuation. As we have previously communicated, this work would routinely have been performed in 2022-23 (post triennial valuation) however this was not completed by your predecessor auditor. During the course of our work in 2024-25, we have initiated audit procedures to address this gap in assurance with the goal of rebuilding assurance in respect of LGPS pension balances. These procedures identified some variances in the data between what the actuary disclosed in their IAS 19 report and the underlying data from the pension fund, which were above our acceptable tolerance threshold. We note that there is a further triennial valuation which is close to completion with a date of 31 March 2025 which we expect will be captured in the Authority's 2025-26 IAS 19 report, which we hope shall resolve any brought forward variances in membership data. Nonetheless, we consider that there are reconciliation procedures that the Authority should perform over the coming months to ensure that the underlying membership data provided to the actuary and that used in their IAS 19 report is accurate to provide assurance so as to minimise the chance of issues arising during the 2025-26 audit later this year.	We recommend that your finance team obtains the 2025 triennial valuation membership data provided by West Yorkshire Pension Fund to the fund actuary for LGPS and compares this with the data used by the actuary in their IAS 19 report. This comparison of these two datasets should be used to identify any variance that may exist. Enquires should also be made to the Pension Fund to understand how they have ensured that the relevant data supplied has been accurately identified and exported from their records management system. Given the current gap in assurance that exists in respect of LGPS membership data, we think that carrying this work prior to the external audit commencing should minimise the chance of issues arising during the 2025-26 audit later this year. Management response ***This recommendation has been accepted. A comparison of membership data provided by West Yorkshire Pension Fund to the fund actuary will be compared against that used by the actuary in the IAS19 report.***

Action Plan

We set out here our recommendations for the Authority which we have identified as a result of issues identified during our audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
Medium	**Perform a review of control accounts and suspense accounts used within the Authority's general ledger** Our audit procedures identified that: • there is a high volume of transactions in the ledger being posted to control accounts and then being re-posted to an appropriate general ledger /cost centre code. • general ledger codes mapped within the Authority's chart of accounts as customer and client receipts (income codes) were being used as a control account for pension scheme accounting entries The occurrence of the matters above, increases the complexity and volume of transactions in the Authority's general ledger. It is our view that there are some steps that that the Authority can take to clarify the nature and rationale for posting these transactions and potentially also reduce the volume of such transactions in future periods to simplify the list of general ledger transactions that underpin the trial balance and draft financial statements. These include • providing the audit team with a list of any pension-related transactions that have occurred within a general ledger code that maps as income customer and client receipts so that the auditor is able to contra cleanse such transactions from the population prior to selecting a sample for customer and client receipts • considering whether further clarity could be provided to finance officers regarding the nature of recurrent transactions to reduce the usage of control accounts and increase the number of transactions being posted directly to an appropriate account code minimising the need for any intermediate transaction posting through a control account. This may include providing additional explanation to the audit team as to why the SAP general ledger is posting transactions through control accounts as part of the underlying journals legs for automated (system-based) transactions.	We recommend that the Authority take steps to explore how it can reduce the volume of transactions being posted via a control account and increase the proportion being posted directly to an appropriate general ledger code. In addition, the Authority should look to provide the audit team with a list of pension entries posted through customer and client receipts income codes so that these can be contra cleansed prior to audit sampling. Management response *This recommendation has been accepted. Management will undertake a review of transactions being posted via control accounts.*

Follow up of prior year recommendations

We identified the following issues in the audit of the Authority's 2023/24 financial statements, which resulted in seven recommendations being reported in our 2023/24 Audit Findings Report. We are pleased to report that management has addressed four of the seven have been by management with three are still in progress at the time of writing.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
In progress	**1. Vehicle residual values in the fixed asset register** We recommended that management, with support from the Head of Fleet and Logistics, adds a record of vehicle residual values to the fixed asset register to improve the accuracy of the depreciation estimate. This is to reflect increased auction values of specialist vehicles in the second-hand export market due to improvements in vehicle design and longevity. While it would not impact useable reserves since depreciation charges are overridden by the minimum revenue provision, this change would reduce the impact of gains on disposal on the CIES as residual values would more accurately reflect market values.	This recommendation is still under management consideration and management provided the following response to update on the recommendation. *Management update: This was first raised in the Auditor's findings report in February 2025, this is still being considered by management with discussions taking place between the senior finance team and the Head of Fleet and Logistics. We are keen to ensure that any residual values entered on the fixed asset register are reasonable and prudent, and can be evidenced by past auction sale data. We are following due process to consider this recommendation and will be able to provide a further update in the auditor's updates in early 2026.*
Addressed	**2. Upcoming changes to the buildings portfolio** The authority plans to dispose of the Service Delivery Centre at Bramley and Cleckheaton Fire Station in 2025-26 following the relocation of both to the new headquarters in Birkenshaw. Additionally, there is uncertainty around the future and potential disposal of Oakroyd Hall. We recommended that management commences discussions between financial accountants, the Head of Estates and the external valuer to ensure that these assets are accurately measured (to reflect their current market value) and classified (i.e., as assets held for sale) in the 2024-25 draft financial statements.	Management communicated during our audit planning in April 2025 that this had been addressed. We are pleased to confirm that based on our audit fieldwork, we are content that this has been appropriately addressed and the necessary actions implemented. Changes to the use of buildings have been communicated with the external land and buildings valuation expert resulting in what we consider to be appropriate valuation methods being applied. We are also satisfied with the classification of the land and buildings split between those within operational land and buildings, surplus assets and assets held for sale.

Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
Addressed	**3. IFRS 16 Leases implementation from 1 April 2024** Since a large majority of the authority's vehicle fleet is leased, we expect the implementation of IFRS 16 to be a time and resource intensive exercise. As such, we recommended that management accelerates its efforts regarding the implementation of IFRS 16 to ensure relevant leased assets are completely and accurately captured before the 2024-25 accounts closedown process commences.	Management communicated during our audit planning in April 2025 that this recommendation was being considered in the run up to the 2024-25 accounts closedown, and that a good level of finance staff time and resources has been committed, undertaking comprehensive work on reviewing the contracts register for additional lease contracts and performing the lease calculations for inclusion in the 2024-25 draft financial statements. We are pleased to report that we have concluded that management has carried out a robust and proper exercise in identifying relevant leases and preparing lease liability calculations for inclusion in the financial statements . Whilst this report does note some adjustments in relation to the accuracy of lease calculations, some adjustments often occur on adoption of anew accounting standard. Overall, we are content that management has considered and properly implemented this auditor recommendation.
Addressed	**4. Liability benchmark projections** The authority presents liability benchmark projections (i.e., a chart showing outstanding liabilities over time) to members in its annual budget papers. Currently, the chart shows the development of the authority's liabilities until 2045. We recommended that management revises and extends the projection to ensure that the chart visually captures the full repayment of the CFR and other liabilities. Additionally, we recommended that that the significance of the liability benchmark chart is explained to members alongside the next treasury management update to aid in their oversight of the financial reporting process.	Management communicated during our audit planning in April 2025 Management has utilised support from external treasury advisors to implement this recommendation. The liability benchmark projection chart is expected to be updated in time for the next treasury management update, set to be presented to Finance and Resources Committee in July 2025. Management has shared the papers presented to Finance and Resources Committee on 18 July 2025 and we have inspected Appendix E of the committee pack which presents a revised liability benchmark chart which shows the capital financing requirement (CFR) reducing to £nil over time.
Addressed	**5. Cash Flow Statement adjustments** Our 2023-24 audit work identified that an immaterial movement in cash balances could not be explained through the adjustments in the Cash Flow Statement. Following initial investigation, management were unable to reconcile this difference. We recommended that management refines its process for producing the Cash Flow Statement to improve its accuracy in future years. Initially, this involves reworking the 2023-24 statement to identify additional adjustments that may be required in the 2024-25 draft accounts to resolve the identified variance.	Management communicated that this variance identified during the 2024-25 accounts audit has been resolved and our audit fieldwork demonstrated that this has been adjusted and appropriately resolved.

Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
Addressed	**6. Expenditure and Funding Analysis note** Our 2023-24 audit work identified that the required reconciliation between the segmental analysis reflecting organisational structure and net expenditure chargeable to the general fund had been omitted from the EFA disclosure note. We recommended that management revises its presentation of the note to ensure all applicable CIPFA Code requirements are met.	Management communicated during our audit planning in April 2025 that support had been utilised from the national CIPFA technical team to clarify how this note should be presented and there was clear understanding within the finance team how this note should be presented and the changes required in 2024-25. Our audit work this year concluded that this note was presented as per the requirements of the CIPFA Code and could now be considered fully compliant with Code requirements. We are therefore pleased to report that this recommendation has been resolved and is now considered closed.
Addressed	**7. Fixed asset register reconciliation** Our 2023-24 audit work identified an immaterial variance between the 2022-23 carried forward and 2023-24 brought forward balances of Vehicles, Plant & Equipment. We recommended that management prepares an annual reconciliation to investigate and resolve this difference before the 2024-25 accounts closedown process commences.	We note that no similar issues have been experienced in the current year (2024-25) and management updates to the reconciliation provided to audit have enabled us to properly undertake our audit procedures with no such variances being identified as was the case in the prior year. We are therefore pleased to report that this recommendation has been resolved and is now considered closed.

07 Value for Money arrangements

Value for Money arrangements

Approach to Value for Money work for the year ended 31 March 2025

The National Audit Office issued its latest Value for Money guidance to auditors in November 2024. The Code requires auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Additionally, The Code requires auditors to share a draft of the Auditor's Annual Report (AAR) with those charged with governance by 30th November each year from 2024-25. Our Interim Auditor's Annual Report was reported to you on at Audit Committee on 24th October 2025. In undertaking our work, we are required to have regard to three specified reporting criteria. These are as set out below.

Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.

Financial sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.

Governance

How the body ensures that it makes informed decisions and properly manages its risks.

Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:

Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.

Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.

Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements.

Value for Money: our procedures and conclusions

We have completed our VFM work and our detailed commentary is set out in the separate Interim Auditor's Annual Report, which was be presented to Audit Committee in October 2025.

As part of our work, we considered whether there were any significant weakness in the Fire and Rescue Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our work did not identify any significant weaknesses in the Fire and Rescue Authority's arrangements.

Overall, we are satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. No Statutory or Key Recommendations were identified from our work.

Of the three improvement recommendations raised during the prior year, two have been satisfactorily implemented and are now closed. The third has been progressed but full implementation remains ongoing. This has been re-raised during the 2024-25 year below and as such there is only one single improvement recommendation which the Fire and Rescue Authority needs to consider and action ahead of our value for money work in 2025-26. This represents a good outcome for the Authority and this compares favourably when considered alongside the population of our local authority, fire and rescue, and police audited bodies nationally.

Recommendation	Relates to	Actions agreed by Management
The Authority should report annually to members on the progress of collaboration activities implemented via the West Yorkshire Tri-Service Collaboration.	Improving economy, efficiency and effectiveness	**Actions:** We will ensure a report is submitted to the Authority during its next cycle of meetings and is a feature moving forwards. **Responsible Officer:** Area Manager Toby May **Due Date:** During the next cycle of Fire Authority meetings

08 Independence considerations

Independence considerations

Independence and Ethics

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers and managers). There are no such matters to report.

We confirm that we have implemented policies and procedures to meet the requirement of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in February 2025 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed on page 64 of this report.

Fees and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Fire & Rescue Authority. No audit-related or non-audit services have been identified as being provided for the Authority since the beginning of the 2024-25 financial year up to the date of this report.

Independence considerations

As part of our assessment of our independence we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Authority that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Authority. As a fire and rescue authority in the public sector, whilst the Ethical Standard instructs us to mitigate the risk to independence from investments held by individuals, we note the Authority is publicly owned by the taxpayer and as such this risk of investments held by individuals cannot arise.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Authority or group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Authority.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Authority, senior management or staff.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Audit Fees

The following table sets out the total audit fees charged from the beginning of the financial year up to the date of this report. No non-audit services have been provided.

Audit fees	£
West Yorkshire Fire and Rescue Authority Scale Fee (per PSAA contract)	114,384
IFRS 16 implementation review (first year adoption of the new accounting standard)	3,000
Total audit fees (excluding VAT)	117,384

The fees reconcile to the financial statements in Note 32 - External Audit Costs. The final fee is £3k higher to account for the additional fee in relation to our review of IFRS 16 implementation.

09 Appendices

A. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Views about the qualitative aspects of the West Yorkshire Fire & Rescue Authority's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●
Expected modifications to the auditor's report, or emphasis of matter		●

A. Communication of audit matters with those charged with governance

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table on the previous two pages.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings (ISA260) Report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, as a minimum a requirement exists for our findings to be distributed to all the company directors and those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report, to those charged with governance.

B. Our team and communications

Grant Thornton core team

Gareth Mills
Engagement Lead & Key Audit Partner

- Key contact for senior management and Audit Committee
- Overall quality assurance

Greg Charnley
Audit Senior Manager

- Audit planning
- Main contact for the finance team
- Project and Resource management of the delivery of the audit
- Performance management reporting

Chris Schulz
Audit In-Charge

- Audit team management
- Day-to-day point of contact
- Audit fieldwork lead

Sarah Jassal
VFM Lead

- VFM team management
- VFM main contact
- VFM fieldwork

	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	• Annual client service review	• The Audit Plan • Audit Progress and Sector Update Reports • The Audit Findings (ISA260) Report • Auditor's Annual Report	• Audit planning meetings • Audit clearance meetings • Communication of issues log	• Technical updates
Informal communications	• Open channel for discussion		• Communication of audit issues as they arise	• Notification of up-coming issues

As part of our overall service delivery we may utilise colleagues who are based overseas, primarily in India and the Philippines. Those colleagues work on a fully integrated basis with our team members based in the UK and receive the same training and professional development programmes as our UK based team. They work as part of the engagement team, reporting directly to the Audit Senior and Manager and will interact with you in the same way as our UK based team albeit on a remote basis. Our overseas team members use a remote working platform which is based in the UK. The remote working platform (or Virtual Desktop Interface) does not allow the user to move files from the remote platform to their local desktop meaning all audit related data is retained within the UK.

C. Logistics

The audit timeline

Key Dates

- Audit Committee: 25 April 2025
- Close out meeting: Late January 2025
- Audit Committee: 13 February 2026
- Sign off: Before 27 February 2026

Audit phases:

Planning – 4 weeks

w/c 31 Mar 2025

Key elements

- Planning meeting with management to set audit scope
- Planning requirements checklist to management
- Agree timetable and deliverables with management and Audit Committee
- Issue the Audit Plan to management and Audit Committee
- Planning meeting with Audit Committee to discuss the Audit Plan

Interim audit

w/c 16 Jun 2025

Key elements

- Audit team to perform initial sampling procedures
- Review of key judgements and estimates

Final audit (fieldwork)

w/c 15 Sep 2025

Key elements

- Audit teams to complete fieldwork and detailed testing using a hybrid approach (on-site and remote)
- Weekly update meetings with management
- Interim Auditor's Annual Report on VFM presented to Audit Committee in October
-

Completion

January / February 2026

Key elements

- Draft Audit Findings (ISA260) Report issued to management
- Audit Findings meeting with management
- Draft Audit Findings issued to Audit Committee
- Audit Findings presentation to Audit Committee
- Auditor's Annual Report presentation to Audit Committee
- Finalise and sign financial statements and audit report

D. Management letter of representation

[**Prepare on client letterhead**]

Grant Thornton UK LLP
City Square House
11 Wellington Street
Leeds
LS1 4DL

XX February 2026

Dear Grant Thornton UK LLP

West Yorkshire Fire and Rescue Authority
Financial Statements for the year ended 31 March 2025

This representation letter is provided in connection with the audit of the financial statements of West Yorkshire Fire and Rescue Authority ("the Authority") for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the Authority financial statements give a true and fair view in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

i. We have fulfilled our responsibilities, as set out in the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited, for the preparation of the Authority's financial statements in accordance with the Accounts and Audit Regulations 2015, International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.

ii. We have complied with the requirements of all statutory directions affecting the Authority and these matters have been appropriately reflected and disclosed in the financial statements.

iii. The Authority has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.

vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for International Accounting Standard 19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.

vii. Except as disclosed in the financial statements:

   a. there are no unrecorded liabilities, actual or contingent;
   b. none of the assets of the Authority has been assigned, pledged or mortgaged; and
   c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.

viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.

ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.

x. We have considered the unadjusted misstatements schedule included in your Audit Findings Report and attached to this letter. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Authority and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.

xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.

xii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

xiii. We have updated our going concern assessment. We continue to believe that the Authority's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:

   a. the nature of the Authority means that, notwithstanding any intention to cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements;
   b. the financial reporting framework permits the Authority to prepare its financial statements on the basis of the presumption set out under a) above; and
   c. the Authority's system of internal control has not identified any events or conditions relevant to going concern.

   We believe that no further disclosures relating to the Authority's ability to continue as a going concern need to be made in the financial statements

xiv. The Authority has complied with all aspects of ring-fenced grants that could have a material effect on the Authority's financial statements in the event of non-compliance.

xv. We confirm that it is appropriate to account for the Local Government Pension Scheme pension asset ceiling at £nil in line with IFRIC 14 accounting principles

Information Provided

xvi. We have provided you with:

D. Management letter of representation

a. access to all information of which we are aware that is relevant to the preparation of the Authority's financial statements such as records, documentation and other matters, except for the information outlined in paragraph xxvii below;

b. additional information that you have requested from us for the purpose of your audit; and

c. access to persons within the Authority from whom you determined it necessary to obtain audit evidence.

xvii. We have communicated to you all deficiencies in internal control of which management is aware.

xviii. All transactions have been recorded in the accounting records and are reflected in the financial statements.

xix. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

xx. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Authority and involves:

a. management;

b. employees who have significant roles in internal control; or

c. others where the fraud could have a material effect on the financial statements.

xxi. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

xxii. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

xxiii. We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.

xxiv. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

xxv. We confirm that the instances of ongoing litigation against the Fire & Rescue Authority are one-off in nature and are not indicative of the need to make further provisions and or contingent liability disclosures in the financial statements.

xxvi. We have considered whether the Fire & Rescue Authority is required to reflect a liability in respect of equal pay claims within its financial statements. We confirm that we are satisfied that no liability needs to be recognised.

xxvii. On 30 September 2024 Parliament approved the Accounts and Audit (Amendment) Regulations 2024. These regulations set a publication date for financial statements in respect of 2024-25 of 27 February 2026. The new National Audit Office Code of Audit Practice, which was published on 14 November 2024, also requires that where auditors are unable to conclude their work, they should issue either a qualified audit opinion or a disclaimer of opinion by this date, known as the 'backstop date'. Due to the ongoing impact of the disclaimer of opinion issued on the 2022-23 statement of accounts by our predecessor auditor, we acknowledge that it has not been possible to provide you with all the information required for you to complete your audit for the year ending 31 March 2025 by the backstop date in relation to the Local Government Pension Scheme net balance, the Firefighters Pension Scheme net liability, property, plant and equipment and reserves.

Annual Governance Statement

xxviii. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

xxix. The disclosures within the Narrative Report fairly reflect our understanding of the Authority's financial and operating performance over the period covered by the Authority's financial statements.

Approval

The approval of this letter of representation was minuted by the Authority's Audit Committee at its meeting on Friday 13 February 2026.

Yours faithfully

Name.................................

Position...............................

Date.................................

Name.................................

Position...............................

Date.................................

Signed on behalf of the Authority

E. Audit opinion (draft)

Independent auditor's report to the members of West Yorkshire Fire & Rescue Authority

Report on the audit of the financial statements

Disclaimer of opinion

We were engaged to audit the financial statements of West Yorkshire Fire & Rescue Authority (the 'Authority') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial statements also include the firefighters' pension fund financial statements comprising the Fund Account, the Net Assets Statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

We do not express an opinion on the accompanying financial statements of the Authority. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 ('the Regulations') require the Authority to publish audited financial statements for the year ended 31 March 2025 by 27 February 2026 ('the backstop date'). The backstop date has been put in law with the purpose of clearing the backlog of historical financial statements.

On 28 February 2025, we issued a disclaimer of opinion on the Authority's financial statements for the year ended 31 March 2024. We were not able to obtain sufficient appropriate audit evidence by 28 February 2025, the previous backstop date, over the Authority's opening balances, in-year movements in the Local Government Pension scheme net balance, Firefighters Pension Scheme net liability and property, plant and equipment, the closing balance of property, plant and equipment and the closing reserves balance reported in the financial statements for the year ended 31 March 2024. We were therefore unable to obtain sufficient appropriate evidence over the associated corresponding figures for the year ended 31 March 2025 for the same reason.

As a result of the limitations imposed by the backstop date, we have been unable obtain sufficient appropriate audit evidence over the Authority's opening balances of the Local Government Pension Scheme net balance, the Firefighters Pension Scheme net liability, property, plant and equipment and reserves reported in the financial statements for the year ended 31 March 2025. Consequently, we have been unable to satisfy ourselves over their in-year movements. Similarly, this has also resulted in uncertainty over the closing balance of the Local Government Pension Scheme funded net balance of £nil, the Firefighters Pension Scheme net liability of £1.03bn, property, plant and equipment of £132m and reserves of £926m as at 31 March 2025.

We have concluded that the possible effect of these matters on the financial statements could be both material and pervasive. We have therefore issued a disclaimer of opinion on the financial statements. This enables the Authority to comply with the requirement of the Regulations to publish the financial statements for the year ended 31 March 2025 by the backstop date.

Other information we are required to report on by exception under the Code of Audit Practice

Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Opinion on other matters required by the Code of Audit Practice

The Director of Finance and Procurement is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the Authority's financial statements and our auditor's report thereon. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority gained through our work in relation to the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, whether the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Director of Finance and Procurement

As explained more fully in the Statement of Responsibilities, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Finance and Procurement. The Director of Finance and Procurement is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, for being satisfied that they give a true and fair view, and for such internal control as the Director of Finance and Procurement determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director of Finance and Procurement is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Authority's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on those financial statements.

We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

E. Audit opinion (draft)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The audit was defective in its ability to detect irregularities, including fraud, on the basis that we were unable to obtain sufficient appropriate audit evidence due to the matters described in the basis for disclaimer of opinion section of our report.

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in respect of the above matter.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in the Authority's use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for West Yorkshire Fire and Rescue Authority for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary in relation to the Authority's consolidation returns and we have received confirmation from the National Audit Office the audit of the Whole of Government Accounts is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signature:

Gareth Mills, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Leeds

XX February 2026

Grant Thornton

West Yorkshire Fire & Rescue Authority

Auditor's Annual Report
Year ending 31 March 2025

FINAL - 5 February 2026 – presented to Audit Committee on 13 February 2026

INTERIM – 14 October 2025 – presented to Audit Committee on 24 October 2025

Contents

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for West Yorkshire Fire & Rescue Authority during 2024-25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VFM) arrangements. The responsibilities of the Fire & Rescue Authority (the Authority) are set out at Appendix A. The Value for Money Auditor responsibilities are set out at Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Authority as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024-25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Auditor's powers

Auditors of a local authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

Value for money

We report our judgements on whether the Authority has proper arrangements in place regarding arrangements under the three specified criteria:

- financial sustainability
- governance
- Improving economy, efficiency and effectiveness.

The Value for Money auditor responsibilities are set out at Appendix B.

The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from 30 November 2025 and applies to 2024-25 audits.

02 Executive Summary

Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Authority's arrangements is set out below. Further detail can be found on the following pages.

Criteria	2023-24 Assessment of arrangements		2024-25 Risk assessment	2024-25 Assessment of arrangements	
Financial sustainability	G	No significant weaknesses identified, and no improvement recommendations raised.	No risks of significant weakness identified.	G	No significant weaknesses identified and no improvement recommendations raised.
Governance	A	No significant weaknesses identified; improvement recommendations raised in relation to internal audit reporting and Fire Authority reporting templates.	No risks of significant weakness identified.	G	No significant weaknesses identified and no improvement recommendations raised. The two prior improvement recommendations have been implemented.
Improving economy, efficiency and effectiveness	A	No significant weaknesses identified; improvement recommendations raised in relation to reporting of performance and collaboration activities, and contract management arrangements.	No risks of significant weakness identified.	A	No significant weaknesses in arrangements identified and no new improvement recommendations made. One prior improvement recommendation has been closed and one is partly implemented. We have noted that reporting of collaboration activities to the Fire Authority remains outstanding.

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendation(s) made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Executive Summary

We set out below the key findings from our commentary on the Authority's arrangements in respect of value for money.

Financial sustainability

The Authority continues to demonstrate sound financial management, delivering a surplus of £0.9m in 2024-25 and setting a balanced budget for 2025-26. The refreshed Medium Term Financial Plan (MTFP) is supported by reasonable planning assumptions and quantified sensitivity analysis. While budget gaps totalling £0.1m have been identified in the later years of the MTFP, we do not consider this to indicate a weakness in the Authority's financial arrangements. Reserves remain at adequate levels with £5.7m held in general reserves and £2.0m in the Medium-Term Funding Impact Reserve at the end of 2024-25.

Financial plans are aligned with the strategic objectives set out in the Community Risk Management Plan 2025-28 (CRMP) and appropriately reflect key areas of financial risk.

Governance

The Authority has established robust governance arrangements, with clear structures and processes supporting effective decision-making, risk management, oversight of internal controls, financial sustainability and performance and standards of behaviour. Appropriate arrangements are in place to prevent and detect fraud. The Authority's governance framework is set out in the Constitution and includes a suite of policies and other documents designed to enable effective decision-making, uphold appropriate standards and ensure compliance with legal and regulatory requirements.

Some 2024–25 capital projects, including the new command and control system, have been delayed to 2025–26, and the Authority should continue to monitor progress of this key project. No instances of inappropriate decision-making were identified during our audit work.

Improving economy, efficiency and effectiveness

The Authority monitors operational and corporate performance including the delivery of the CRMP objectives, with quarterly reports to the Fire Authority supporting assurance and oversight. The Authority's strong approach to delivering CRMP objectives is recognised as notable practice (see page 22).

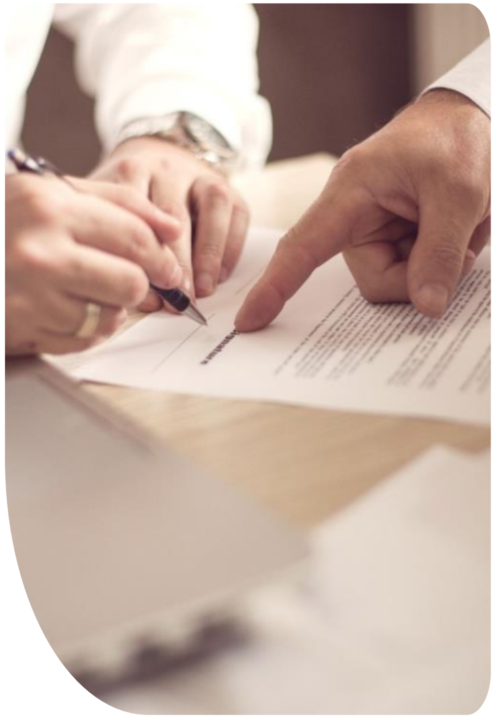
The Service collaborates well with local partners. However, we continue to recommend that the Fire Authority receives an annual update on Tri-Service Collaboration activities.

Contract management arrangements have been refreshed and strengthened, and oversight arrangements are in place for major capital projects, ensuring transparency and accountability.

Executive summary – auditor's other responsibilities

This page summarises our opinion on the Authority's financial statements and sets out whether we have used any of the other powers available to us as the Authority's auditors.

Auditor's responsibility	2024-25 outcome
Opinion on the Financial Statements	Our work is substantially complete and our anticipated financial statements audit report will be a disclaimer of opinion due to the ongoing impact of the disclaimer of opinion issued on the 2022-23 statement of accounts by your predecessor auditor. We intend to issue the audit opinion in February 2026 following the Audit Committee meeting on 13 February 2026 and ahead of the accounts backstop date of 27 February 2026. Our Audit Findings (ISA260) Report, including draft audit opinion on the financial statements, is due to be presented to the Audit Committee on 13 February 2026.
Use of auditor's powers	We did not make any written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014. We did not make an application to the Court or issue any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014. We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014. We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.



03 Value for Money commentary on arrangements

Opinion on the financial statements

These pages set out the key findings from our audit of the Authority's financial statements, and whether we have used any of the other powers available to us as the Authority's auditors.

Audit opinion on the financial statements

Our work is substantially complete and our anticipated financial statements audit report will be a disclaimer of opinion due to the ongoing impact of the disclaimer of opinion issued on the 2022-23 statement of accounts by your predecessor auditor. We intend to issue the audit opinion in February 2026 following the Audit Committee meeting on 13 February 2026 and ahead of the accounts backstop date of 27 February 2026.

The full opinion is included in the Fire and Rescue Authority's Annual Report for 2024-25, which can be obtained from the Authority's website.

Grant Thornton provides an independent opinion on whether the Authority's financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Authority in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The Authority provided draft accounts in line with the national deadline of 30 June 2025.

Draft financial statements were of a good standard and supported by appropriately detailed working papers. We did not identify any adjustments impacting on the Fire and Rescue Authority's useable reserves balances which represents a good outcome for the Authority. Several classification, disclosure and presentational adjustments were identified from the audit, and the volume and type of such adjustments identified is consistent with other audited bodies across the local government, police and fire and rescue sectors.

We have raised three 'medium priority' recommendations as a result of our work. We also note our appreciation for the assistance and support provided by the finance team and other staff during our audit. The finance team have engaged in an excellent manner with our team as was the case in the prior year. We expect this to continue into the 2025-26 as we will continue to work with the Fire and Rescue Authority to rebuild assurance and work towards being in an position to issue an unqualified 'clean' opinion on the financial statements (targeting 2025-26 statement of accounts subject to completing the regaining assurance work in April 2026).

Audit Findings (ISA260) Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report is to be presented to the Authority's Audit Committee on 13 February 2026. Requests for this Audit Findings Report should be directed to the Authority.

Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

The Authority is the statutory governing authority responsible for overseeing fire and rescue services across West Yorkshire. West Yorkshire Fire & Rescue Service (the Service) carries out day-to-day operations, whilst the Authority sets the strategic direction for the Service and is responsible for governance and oversight of the Service.

All Fire & Rescue authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Fire & Rescue Authorities report on their arrangements, and the effectiveness of these arrangements, as part of their individual Annual Governance Statements.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

Financial sustainability

Arrangements for ensuring the Authority can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).

Governance

Arrangements for ensuring that the Authority makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.

Improving economy, efficiency and effectiveness

Arrangements for improving the way the Authority delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial sustainability – commentary on arrangements

We considered how the Authority:	Commentary on arrangements:	Rating
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The Authority continues to maintain strong financial performance, with a surplus of £0.9m reported against its £112.9m revenue budget for 2024-25. The outturn includes increased contributions to capital and reserves, enabled by underspends on staffing due to vacancies and lower-than-expected pay awards. Capital expenditure totalled £24.5m in 2024-25 from a capital budget of £39.9m, including the completion of the Fire Service Headquarters redevelopment and progress on the vehicle replacement programme. Some planned capital projects were delayed and have been reprofiled into the 2025–26 capital plan, including the new command and control system which was originally planned to be completed in January 2025. Officers have confirmed that new command and control system is expected to go live in mid November 2025. Authority members approve the rescheduling of capital spending and understand the reasons for project delays, while actively challenging officers on delivery progress. The Authority approved a balanced revenue budget of £117.2m for 2025-26 in February 2025, alongside a refreshed Medium Term Financial Plan (MTFP) to 2028-29. No new savings schemes were required to balance the 2025–26 revenue budget. However, a budget gap of £0.3m is projected in the later years of the MTFP. Given the relatively small scale of the gap and the Authority's strong track record in delivering savings, we do not consider this to be significant. Financial planning is based on reasonable assumptions, with quarterly base budget reviews and ongoing revision to both revenue and capital budgets informed by budget monitoring. Sensitivity analysis is used to assess the impact of key variables such as pay awards, and findings are reported to members. The Authority's reserves remain adequate, with the general reserve planned to be maintained at £5.7m (4.9% of the 2025-26 net revenue budget) throughout the medium-term financial planning period.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
plans to bridge its funding gaps and identify achievable savings	The Authority set balanced budgets for 2024–25 and 2025–26, with no funding gaps identified. Recurrent cost savings are embedded within the revenue budget, with any new savings identified during the year through regular budget reviews adjusted for in-year. The Authority estimates that £2.8m of cashable savings were achieved in 2024-25, well above the £0.9m forecast in the Efficiency & Productivity Plan. Approximately 95% of these savings are expected to be recurrent, with £1.9m attributed to procurement efficiencies achieved from the use of national procurement frameworks and local procurement reviews. An internal audit review of the 2024–25 plan provided substantial assurance over the completeness and accuracy of reported data and narrative information, as well as the reasonableness of savings estimates. The MTFP to 2028-29 identifies minor budget gaps totalling £0.1m over the three-year period which is approximately 0.03% of the net budget requirement. We do not consider this to be significant given the small scale and the Authority's strong track record of delivering savings. The Authority has identified a risk of reductions to central government funding following the conclusion of upcoming spending and funding reviews but has established a medium-term funding impact reserve of £2.0m to mitigate this risk, as well as undertaking proactive work in 2024–25 to identify future savings options for development, if required.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	Financial planning is strategically aligned with the Community Risk Management Plan (CRMP) 2025-28, the annual Programme of Change and supporting strategies such as the five-year capital plan. The MTFP underpins delivery of strategic priorities, with targeted investment in areas such as training, fire station refurbishment and replacement of vehicles and equipment. The five-year capital plan totals £65m which will be funded through a mix of capital receipts (including the sale of Cleckheaton fire station which was completed in May 2025), capital reserves, revenue contributions and an estimated £51.4m of borrowing over the period. Since 2011, the Authority has used internal borrowing to fund capital projects and reduce financing costs. However, external borrowing is anticipated from 2025–26, marking the first such transaction in recent years. The Authority should seek appropriate advice to support this process. The new borrowing is considered affordable, with capital financing costs projected to remain below 10% of net revenue through to 2028–29. We suggest that, given the reliance on internal borrowing in recent years, the Authority should also ensure that cash balances are actively monitored to confirm that earmarked reserves remain fully cash-backed and available when needed.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	The Authority's financial plans are consistent with workforce, capital, investment, and operational strategies such as the CRMP 2025-28 and the annual Programme of Change. Changes in workforce establishment, which in 2025-26 included the creation of a permanent post for a Positive Action and Community Engagement within the Diversity, Equity, and Inclusion team, are approved by the People & Culture Committee following approval of a budget bid as part of the budget setting process. The five-year capital plan is refreshed annually as part of the budget setting process, with revenue implications included in the revenue budget and MTFP. All projects in the capital plan must be appropriately approved before projects commence, and any amendments to the capital plan are identified from budget monitoring processes are approved by the Authority during the year. Environmental sustainability is embedded within capital projects, and associated revenue impacts, such as financing and maintenance costs and savings from energy efficiency, are incorporated into the MTFP.	G
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	Risks to financial resilience are identified and reported through quarterly budget monitoring reports presented to the Finance & Resources Committee. These reports highlight significant variances from the approved budget and outline mitigating actions. The MTFP includes quantified sensitivity analysis for key assumptions such as pay awards and precept increases, demonstrating the Authority's understanding of financial risk. For example, a 1% increase in the pay awards adds an estimated additional cost of £0.7m per year. Financial planning assumptions are reviewed annually and adjusted to reflect emerging risks, including macroeconomic uncertainty and changes in government funding. To manage unforeseen financial pressures, the Authority maintains general reserves at £5.7m (equivalent to 4.9% of 2025-26 annual revenue expenditure) and holds £2.0m of earmarked reserves to support the management of short-term budget shortfalls arising from funding fluctuations.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements

We considered how the Authority:	Commentary on arrangements:	Rating
monitors and assesses risk and how the Authority gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	The Authority has arrangements in place to identify and manage risks. Risks are evaluated using a standard scoring matrix and monitored by the Risk Management Strategy Group (RMSG)which meets quarterly and provides regular updates to the Audit Committee. The Authority's Risk Management Strategy and Policy outlines its approach to risk, including roles and responsibilities of both members and officers and details of risk identification, analysis, evaluation, treatment, review and reporting procedures. The Risk Management Matrix (RMM) captures risk descriptions, inherent risk scores, direction of travel and existing and proposed control measures, as well as estimated financial impacts where relevant. At the end of 2024–25, 43 risks were recorded on the RMM, including six rated as very high and 18 as high. Audit Committee reporting appropriately focuses on very high risks, with more detailed reviews carried out by officers through the RMSG. A risk summary is presented to the Audit Committee quarterly, with a more detailed RMM report provided annually. Internal Audit provides assurance over the internal control framework. The Annual Internal Audit Report for 2024–25 concluded that the Authority has a sound control environment. In 2024–25, nine reviews were completed, with no significant issues identified. Planned reviews of the Keighley fire station rebuilding project and the implementation of Grenfell Tower Inquiry: Phase 2 recommendations were deferred due to delays in the underlying activities identified for review. These deferrals were discussed at the February 2025 Audit Committee meeting, and the reviews are included in the 2025-26 internal audit plan. Regular progress reports are submitted to the Audit Committee, and our recommendation from 2023–24 has been implemented, ensuring that these reports now include details of open recommendations, including classification and due dates. Procedures to prevent and detect fraud are in place, including a Whistleblowing Policy and an Anti-Fraud, Theft and Corruption Strategy and Response Plan.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
approaches and carries out its annual budget setting process	The Authority has a well-established annual budget-setting process for both revenue and capital expenditure, which informs the annual refresh of the MTFP and capital plan. The process begins each October and is led by the Executive Leadership Team. It includes the identification and scrutiny of growth bids, cost pressures and investment proposals. A standstill budget, based on the prior year's net revenue expenditure and adjusted for pay, price inflation, and technical changes is prepared to show the baseline position. Approved budget developments are incorporated into the proposed budget, which is reviewed by the Finance & Resources Committee before final consideration by the Fire Authority in February of each year. The process allows sufficient time for consultation with budget holders, Authority members, and the public, including a formal consultation on the proposed precept.	G
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	The Finance & Resources Committee receives quarterly budget monitoring reports that provide a forecast of the year-end revenue position, including analysis of projected under and overspending and a summary of key variances. Meeting minutes indicate that discussions are focused on the areas of greatest variance, demonstrating a clear understanding of issues requiring attention. Any transfers to or from contingency budgets arising from cost pressures or savings identified through budget monitoring are reported to the Committee. No significant variances against revenue budgets have been reported in 2023-24 or 2024-25. Capital spending is reported alongside revenue, with narrative updates on project progress—including £11.4m (29%) slippage into future years in 2024–25—and details of virements approved by the Executive Leadership Team under delegated powers. An appendix provides scheme-level analysis of slippage and budget variances by directorate. Treasury Management updates are provided twice a year, covering investment performance, debt position, and compliance with prudential indicators.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	The Authority has established arrangements to ensure that appropriate and properly informed decisions are made. The structure of the Fire Authority and its Committees is clearly defined within the Constitution, which sets out the principles and guidance for transparent, accountable and risk-aware governance. Reports presented to the Fire Authority and its Committees are sufficiently detailed to promote transparency and facilitate effective scrutiny, challenge and debate. No evidence of inappropriate decision-making has been identified, and all meetings of the Fire Authority and Committees were quorate during 2024-25. We previously recommended that the Authority consider enhancing its standard report cover template to include explicit references to risk management implications and the statutory duty to collaborate. We found that the standard report cover template had been updated with effect from the September 2025 meeting of the Fire Authority, and have therefore closed this improvement recommendation.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	Codes of Conduct set out clear expectations for standards of behaviour. The July 2024 HMICFRS inspection report noted that the Authority has well-defined values, which are understood by staff, and that values reflect the principles of the National Fire Chiefs Council Core Code of Ethics. Registers of interests are maintained, with member declarations published online and declared as a standing item at all meetings. Officers also make annual declarations of interest. The Authority's Procurement Strategy provides a clear framework for compliant procurement, supported by Contract Procedure Rules (CPRs). CPRs were updated during 2024-25 to incorporate changes required by the Procurement Act 2023. Exemptions to the CPRs are permitted only in exceptional circumstances; those exceeding £0.075m must be approved by the Chief Fire Officer and reported to the Finance & Resources Committee. No inappropriate use of CPR exemptions was identified during 2024–25. Corporate Health is monitored through an annual report to the Fire Authority, which includes data on compliments and complaints, customer service standards, whistleblowing reports, and anonymous concerns raised via the "Say So" initiative. In 2024–25, the Authority received 25 "Say So" reports (up from 19 in 2023–24) and 40 complaints (compared to 38 in the previous year). Of these, only one complaint was referred to the Local Government Ombudsman, which was not progressed.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Authority:	Commentary on arrangements:	Rating
uses financial and performance information to assess performance to identify areas for improvement	Operational performance is overseen by the Executive Leadership Team, with quarterly reports presented to the Fire Authority providing a summary analysis against key indicators, including direction of travel and comparisons to previous periods, followed by more detailed breakdowns. In our 2023–24 Auditor's Annual Report, we recommended consideration of enhanced analysis in performance reports presented to the Fire Authority where indicators showed underperformance or decline. Although this has not yet been implemented, the current reporting is sufficient to support Member scrutiny, and we have not repeated the recommendation. Operational performance data is sourced from the National Incident Reporting System and integrated into the OneView system. Managers and staff can monitor incident activity using real-time datasets. The Authority has a Data Quality Policy and an Information Governance Strategy. A dedicated data quality team undertakes validation checks, although ultimate responsibility for data quality rests with Information Asset Owners. To further strengthen assurance over data quality, this could be considered as a future area for internal audit review. Corporate Health is also monitored by the Authority, with an annual report presented each autumn. For 2024-25, this report covered compliments and complaint, seven corporate health indicators (including conformity to the Fire & Rescue Service Equality Framework, the average number of working days / shifts lost to sickness, health and safety injuries, forecast budget variance and capital payments, aged debt and customer satisfaction metrics), customer service excellent, "Say So" concerns, complaints to the Local Government Ombudsman, and whistleblowing complaints. Corporate health indicators showed slight improvements in 2024–25 compared to the previous year, including reductions in sickness absence, health and safety injuries, and improvements in domestic customer satisfaction. These indicators continue to reflect appropriate standards of corporate health.	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
evaluates the services it provides to assess performance and identify areas for improvement	In its most recent HMICFRS inspection report (published July 2024), the Service was assessed as "good" in seven areas and "adequate" in two areas and "requires improvement" in one area. The Authority has effective arrangements in place to address areas identified for improvement, including an improvement action plan developed to ensure that areas for improvement identified by HMICFRS inspections are addressed, alongside internally-generated improvement actions. Progress is tracked through quarterly workshops led by senior officers and action owners, with formal progress reporting to the Fire Authority introduced in February 2025. The latest update, presented in June 2025, confirmed that one of the eight HMICFRS actions had been completed, alongside two of the ten internal improvement actions. All remaining actions were reported to be on track, with completion dates ranging from June 2025 to March 2026. The Authority has also completed all actions arising from HMICFRS thematic reviews, including *Values and Culture in Fire and Rescue Services* (2023) and *Standards of Behaviour: The Handling of Misconduct in Fire and Rescue Services* (2024).	G

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
ensure they deliver their role within significant partnerships and engages with stakeholders they have identified, in order to assess whether they are meeting their objectives	The Authority consulted with the public, staff and stakeholders in developing the CRMP 2025-28, which includes collaboration and partnership working as core themes. Formal partnerships such as the Tri-Service Collaboration (TSC) with West Yorkshire Police and Yorkshire Ambulance Service, and participation in the West Yorkshire Resilience Forum (WYRF) support delivery of CRMP priorities. Fire Authority Members are represented on the TSC Executive Board, with Officers representing the Authority on the TSC Steering Group which supports the Executive Board. The Authority led the Steering Group until June 2024, when West Yorkshire Police assumed this role. An annual report on WYRF activity was presented to the Community Safety Committee in October 2024. However, no updates on the TSC have been provided to the Fire Authority since 2023. We previously recommended that the Fire Authority should receive an annual report on the work of the TSC. Officers have confirmed that a collaboration log is being developed to track all partnership activity and annual reporting to the Audit Committee or Fire Authority is under consideration. While progress has been made, we consider that the previous improvement recommendation regarding reporting of collaboration and partnership work (see page 24) has not yet been fully addressed and is therefore retained. The 2024 HMICFRS inspection report confirms that the Service works effectively with other fire & rescue services and has strong arrangements in place to respond to emergencies with WYRF partners. As part of the proposals for Local Government Reorganisation (LGR), responsibility for the strategic direction, governance and oversight of the Service may transfer from the Authority to the Mayor of West Yorkshire, with the Chief Fire Officer retaining operational independence. The timeline for any changes arising from LGR is not yet clear, although no changes are currently expected before 2028.	A

G	No significant weaknesses or improvement recommendations.
A	No significant weaknesses, improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
commissions or procures services, assessing whether it is realising the expected benefits	The Authority has enhanced its contract management with an update to the Contract Procedure Rules (CPRs) in February 2025, reflecting requirements from the Procurement Act 2023. The CPRs clarify contract managers' responsibilities for monitoring and reporting supplier performance. To support implementation, the procurement team has introduced formal post-award contract implementation meetings with contract managers to establish expectations and developed standardised contract management meeting agendas and KPI templates. A Contract Management Assurance Log, introduced in March 2025, records details of all contract management meetings, including issues raised, actions taken, and any unresolved matters. A summary will be included in the next Annual Procurement Update to the Fire Authority, scheduled for January 2026. Based on the progress made, we consider the previously reported improvement recommendation in this area to be addressed and closed. The Authority is committed to securing value for money in procurement, with significant savings identified in its 2024–25 and 2025–26 Efficiency & Productivity Plans (as noted on page 11). A collaborative procurement approach was recognised as a strength in the 2024 HMICFRS inspection report, reflecting effective partnership working and strategic sourcing practices. Major projects, such as the Fire Service Headquarters redevelopment (completed October 2024), are overseen by the Major Project Strategic Finance Group. Other projects are monitored by the Budget Management Monitoring Group. The Change Management Board also monitors progress against projects included in the Programme of Change. Several projects planned for delivery in 2024-25 have been reprofiled into the 2025–26 capital plan. The command and control system, originally due to be in place by January 2025, is now expected to be operational by mid November 2025. To maintain service continuity, the existing system's contract has been extended. The Authority should continue to monitor this critical project closely to ensure timely delivery and mitigate any further delays.	G

G No significant weaknesses or improvement recommendations.

A No significant weaknesses, improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendation(s) made.

Grant Thornton Insights – notable practice

Priorities from the Authority’s Community Risk Management Plan 2025–28 (Your Fire and Rescue Service) are driven forward through a focused annual Programme of Change.

What the Authority is doing well

- The Authority delivers the strategic priorities set out in the CRMP through a coordinated set of projects known as the Programme of Change. This programme is designed to enhance economy, efficiency, and effectiveness, while ensuring the continued safety of the public.
- Oversight is provided by the Change Management Board, with progress reported quarterly to the Full Authority, ensuring transparency and accountability. The Programme is refreshed annually to remain aligned with evolving priorities and operational needs.
- Funding for implementation is drawn from both revenue and capital resources, as outlined in the 2025-26 budget and capital plan. Projects with multi-year timelines are integrated into the Medium-Term Financial Plan, supporting long-term financial sustainability.

What is the impact of having a Programme of Change?

- The Programme of Change plays a critical role in supporting the strategic delivery of the Authority’s priorities. By translating priorities into targeted, well-managed projects, it drives continuous improvement across the organisation.
- The Programme of Change approach promotes appropriate financial planning and financial sustainability by aligning project funding with both the annual budget and the Medium-Term Financial Plan, supporting informed decision-making and enabling a strategic view of investment and resource management.

04 Summary of Value for Money Recommendations raised in 2024-25

Improvement recommendations raised in 2024-25

	Recommendation	Relates to	Management Actions
IR1	<u>2023-24 Improvement recommendation:</u> The Authority should report annually to members on the progress of collaboration activities implemented via the West Yorkshire Tri-Service Collaboration.	Improving economy, efficiency and effectiveness (page 20)	**Actions:** We will ensure a report is submitted to the Authority during its next cycle of meetings and is a feature moving forwards. **Responsible Officer:** Area Manager Toby May **Due Date:** During the next cycle of Fire Authority meetings

05 Appendices

Appendix A: Responsibilities of the Authority

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Finance and Procurement Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance and Procurement Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance and Procurement Officer is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. In preparing the financial statements, the Chief Finance and Procurement Officer is responsible for assessing the Authority's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Authority's Value for Money arrangements

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Authority's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.

A range of different recommendations can be raised by the auditors as follows:

Statutory recommendations – recommendations to the Authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the Authority where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Authority's arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to Senior Officers and the Authority
Interviews and discussions with key stakeholders	External review such as by CIPFA
Progress with implementing recommendations	Regulatory inspections such as from HMICFRS
Findings from our opinion audit on the accounts	Annual Governance Statement, including the Head of Internal Audit annual opinion

Appendix C: Follow up of 2023-24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	Internal Audit reports to the Audit Committee could be improved by: • Including a summary of the number of recommendations raised following each audit and their implementation status (e.g. the number implemented versus outstanding, the timeline for implementation, and the responsible action owner); • Ensuring that reports and appendices are internally consistent; and • Ensuring that the outcome of all reviews is reported to the Audit Committee This would also increase consistency in Internal Audit reporting across West Yorkshire local authorities.	2023-24	A table was included in the Q4 2024–25 Internal Audit Progress Report, detailing all open recommendations. The table set out each recommendation's classification, agreed implementation date, and current progress status.	Implemented	No further action required.

Appendix C: Follow up of 2023-24 improvement recommendations (continued)

	Prior Recommendation	Raised	Progress	Current position	Further action
IR2	The Authority should consider expanding the standard reporting template to include: • Risk management implications • Implications for the duty to collaborate	2023-24	We reviewed the papers presented at recent Fire Authority meetings. We found that reports presented to the Fire Authority in September 2025 included sections for reporting on implications for risk management and the duty to collaborate.	Implemented	No further action required.
IR3	The Authority could improve its reporting processes by: • Enhancing quarterly performance reports to include detailed information on areas of worsening or underperformance, such as underlying reasons and remedial actions being taken, and linking to strategic priorities in the CRMP; • Reporting annually to members on the progress of collaboration activities implemented via the West Yorkshire Tri-Service Collaboration.	2023-24	• Enhanced reporting of operational performance where indicators show underperformance or decline would represent good practice, however, we consider the current level of information provided to members to be sufficient to support appropriate challenge and discussion and we have closed this part of the improvement recommendation. • The Fire Authority did not receive any information on the work of the Tri-Service Collaboration in 2024-25.	Partly Implemented	Improvement recommendation re-raised in respect of Tri-Service Collaboration reporting. See page 24.

Appendix C: Follow up of 2023-24 improvement recommendations (continued)

	Prior Recommendation	Raised	Progress	Current position	Further action
IR4	The Authority should consider whether it is sufficiently assured that contract management activity is robust and consistently applied. This could be demonstrated by regular reporting of contract management activity to members of the Fire Authority or Finance & Resources Committee to confirm that: • Regular reviews of existing contracts are taking place; • Monitoring of contract performance and deliverables against key performance indicators and other measures is being undertaken; and • Action is being taken to address any areas where performance issues have been identified.	2023-24	The Authority has strengthened its contract management arrangements following the February 2025 update to its Contract Procedure Rules. Standardised templates for contract management and a contract management assurance log have been introduced, aimed at improving consistency and oversight. Summary information on contract management activity is scheduled to be included in the next Annual Procurement Update to the Fire Authority, due in January 2026. <u>We will confirm this prior to issuing a final version of this report for the Audit Committee in February 2026.</u>	Implemented	No – subject to the confirmation noted in the middle column

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Agenda item: 07

Abridged Performance Management Report

Audit Committee

Date:	13 February 2026
Submitted by:	Head of Corporate Services
Purpose:	To inform Members of the Authority's performance against Key Performance Indicators where targets are not being achieved.
Recommendations:	That Members note the report
Summary:	The Performance Management and Activity Report which is presented to Full Authority outlines the Authority's performance against key performance indicators thereby enabling the Authority to measure, monitor and evaluate performance against targets. This report highlights the key performance indicators where targets are not being achieved.

Local Government (Access to information) Act 1972

Exemption Category:	None
Contact Officer:	Alison Davey, Head of Corporate Services. Email: alison.davey@westyorksfire.gov.uk; Tel: 01274 682311
Background papers open to inspection:	None
Annexes:	Abridged Performance Management Report – 1 April 2025 to 30 November 2025

Introduction

1.1 The Performance Management and Activity Report, which is presented to each Full Authority meeting outlines the Authority's performance against key performance indicators thereby enabling the Authority to measure, monitor and evaluate performance against targets.

1.2 A traffic light system is used to provide a clear visual indicator of performance against each specific target and comparison is made with the same period the previous year to indicate whether performance has improved, remained the same or deteriorated.

2. Information

2.1 The attached report highlights the key performance indicators where the targets are not being achieved.

3. Financial Implications

3.1 There are no financial implications arising from this report.

4. Legal Implications

4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5. People and Diversity Implications

5.1 There are no people and diversity implications arising from this report.

6. Equality Impact Assessment

6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: No

7. Health, Safety and Wellbeing Implications

7.1 There are no health and safety implications arising from this report.

8. Environmental Implications

8.1 There are no environmental implications associated with this report.

9. Risk Management Implications

9.1 None identified

10. Duty to Collaborate Implications (Police and Crime Act 2017)

10.1 None identified

11. Your Fire and Rescue Service Priorities

11.1 This report links with the Community Risk Management Plan 2025-28 strategic priorities below:

- Further develop a culture of excellence, equality, learning and inclusion
- Provide a safe, effective and resilient response to local and national emergencies
- Focus our activities on reducing risk and vulnerability
- Enhance the health, safety and wellbeing of our people
- Prioritise a people first mindset through ethical and professional leadership and management
- Work with partners and communities to deliver our services
- Use resources in an innovative, sustainable and efficient manner to maximise value for money

12. Conclusions

12.1 That Members note the report.

West Yorkshire
Fire & Rescue Service

Abridged Performance Management Report

Audit Committee

Period Covered:

01 April 2025 30 November 2025

West Yorkshire Fire & Rescue Service

This report provides a summary of our progress across the Service based on the date ranges below.

Period Covered:

Financial Year	2025-26	
Date Range	01 April 2025	30 November 2025

IMPORTANT: The data provided is based on incident reports that have been completed and/or checked but will not include data from incident reports which have not been completed.
Data may change due to incident reports that have been updated due to amendment. The data is accurate at time of creation of the report.

This report is comparing the date range above against:

Previous Year Comparison Date Range	01 April 2024	30 November 2024
3 Year Average Comparison Period	01 April 2024 01 April 2023 01 April 2022	30 November 2024 30 November 2023 30 November 2022
Colour Key	Positive Arrows Positive Charts *When doing a comparison the key above is used. In all other cases graphs, charts and visuals are using contrasting colours to support accessibility.	Negative Arrows Negative Charts

Due to seasonality **Previous Year** and **3 Year Average** comparison are based on selected range and not the whole of the previous year.

Performance Summary

Arrows display percentage(%) increase/decrease on previous year to current financial year.
Borders display the 10% tolerance based on the 3 year average of the selected date range.

The comparison range is based on selected date range.

This report is comparing:	**01 April 2025**	**30 November 2025**
Against:	01 April 2024	30 November 2024

Blue	Achieving or exceeding target
Amber	Satisfactory performance (within 10% of target)
Red	Not achieving target (by more than 10%)

Total Incidents	19094	↑ 11%
Fires	8734	↑ 33%
False Alarms	7165	↓ -3%
Non-fires	3195	↓ -0%
Fire Related Fatalities	7	↓ -59%
Fire Related Injuries	91	↓ -8%
Malicious False Alarms	146	↓ -32%
Road Traffic Collisions	362	↓ -6%
Accidental Dwelling Fires	610	↓ -4%
Deliberate Fires	5276	↑ 35%
Non-domestic Building Fires	265	↑ 5%
Response Times Met	89.5%	↓ -3.7 %

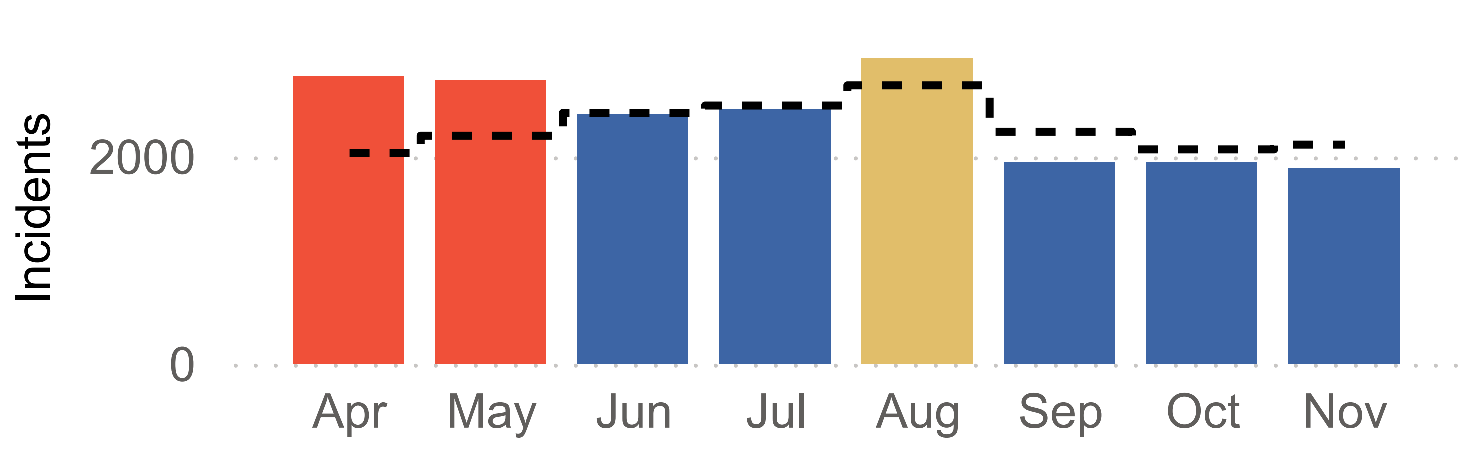
Monthly 3 Year Average

01 April 2025 30 November 2025

District, Ward

All

Total Activity

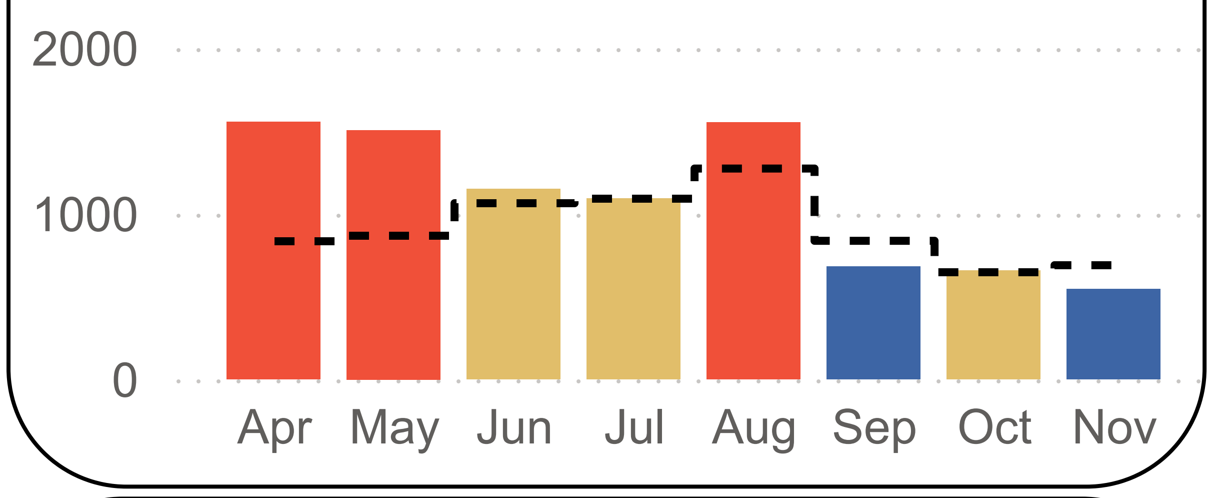


Legend:

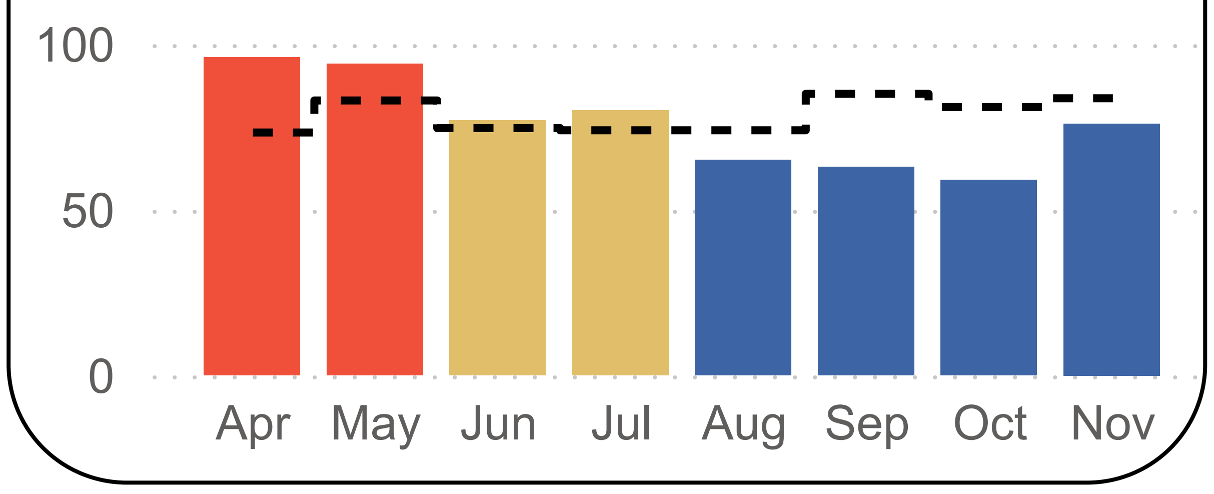
- - - - -	3 Year Average
Blue	Achieving or exceeding target
Amber	Satisfactory performance (within 10% of target)
Red	Not achieving target (by more than 10%)

Fires

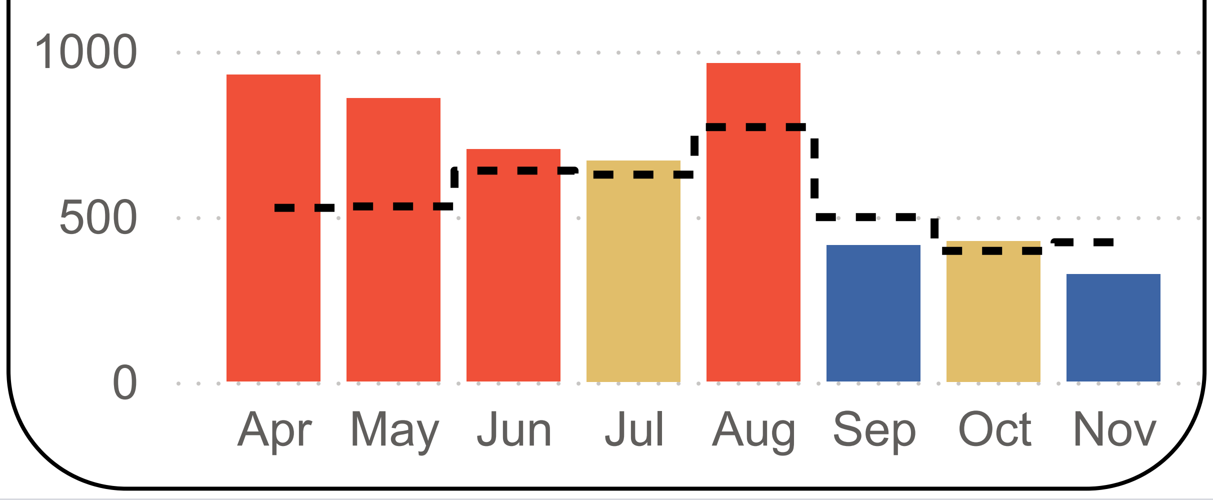
Fires



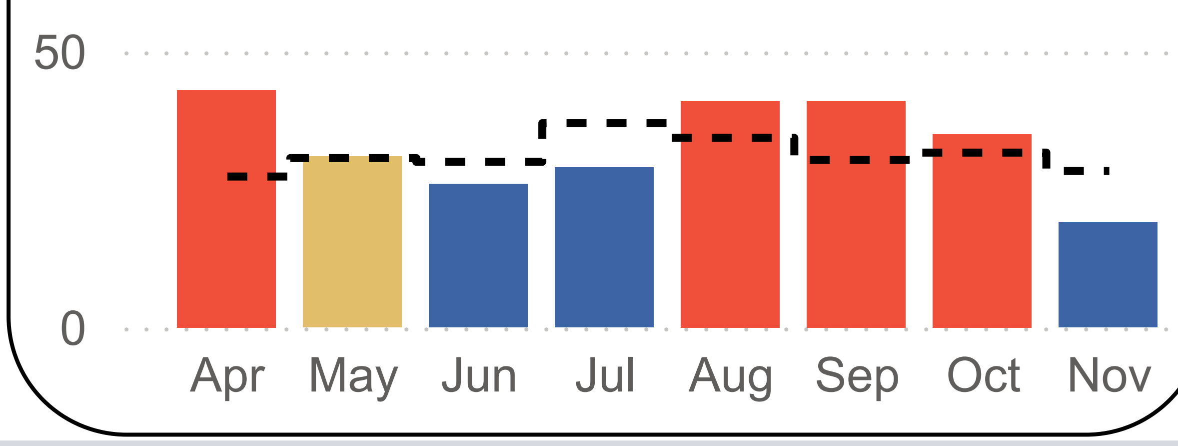
Accidental Dwelling Fires



Deliberate Fires

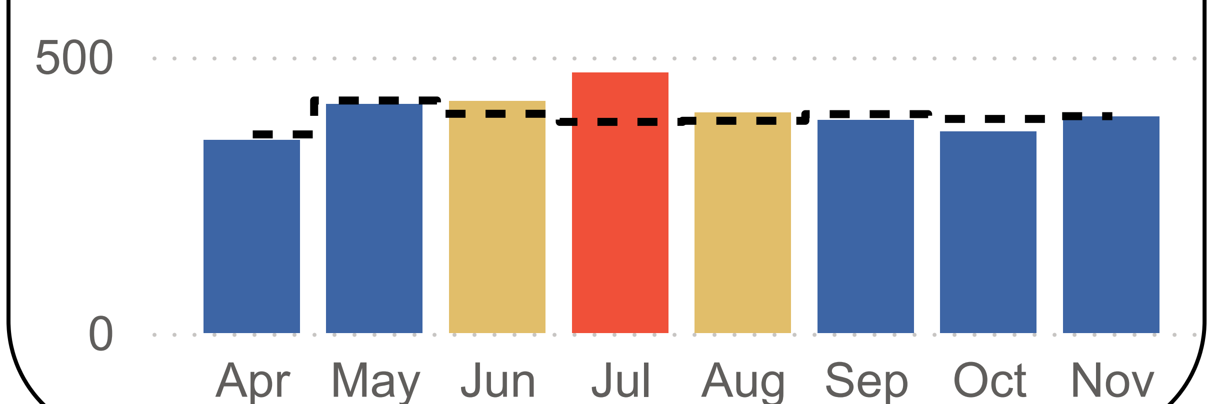


Non-domestic Building Fires

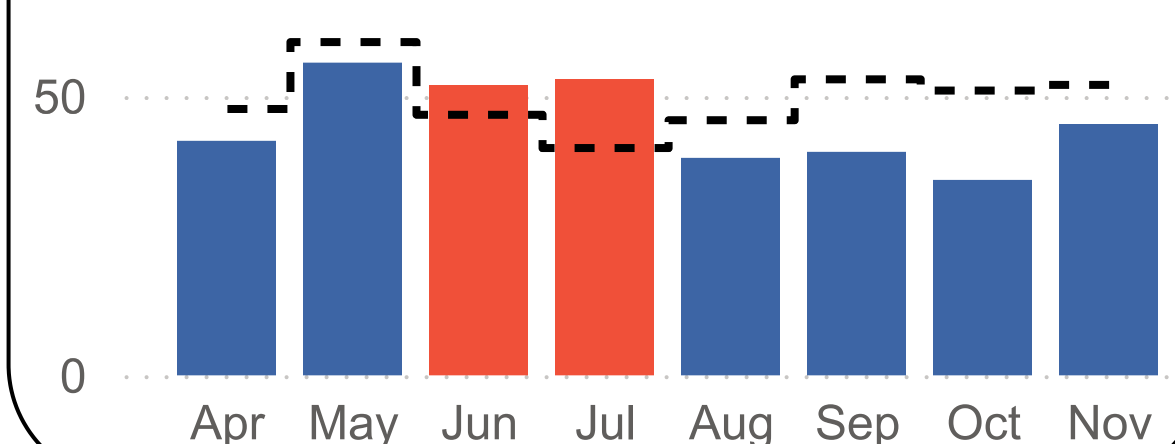


Non-fires

Non-fires



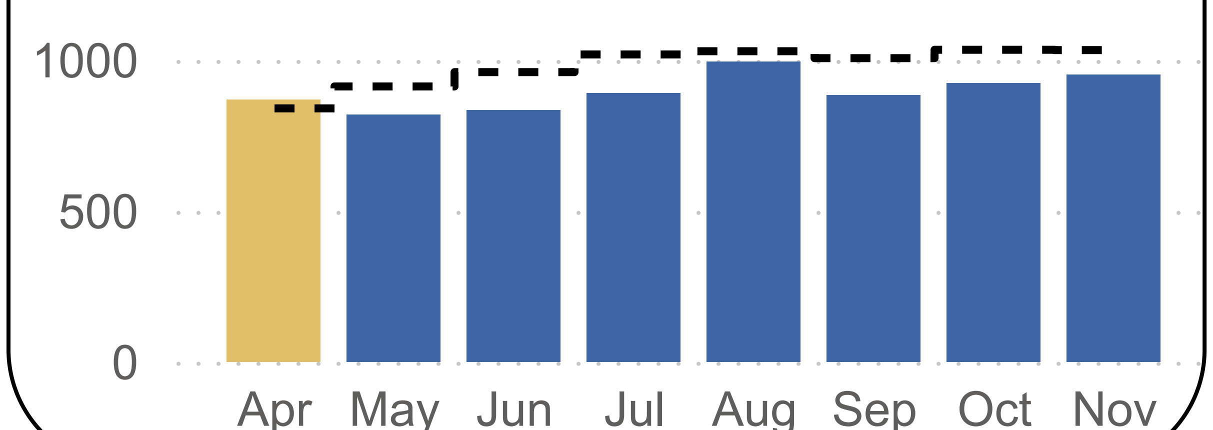
Road Traffic Collisions



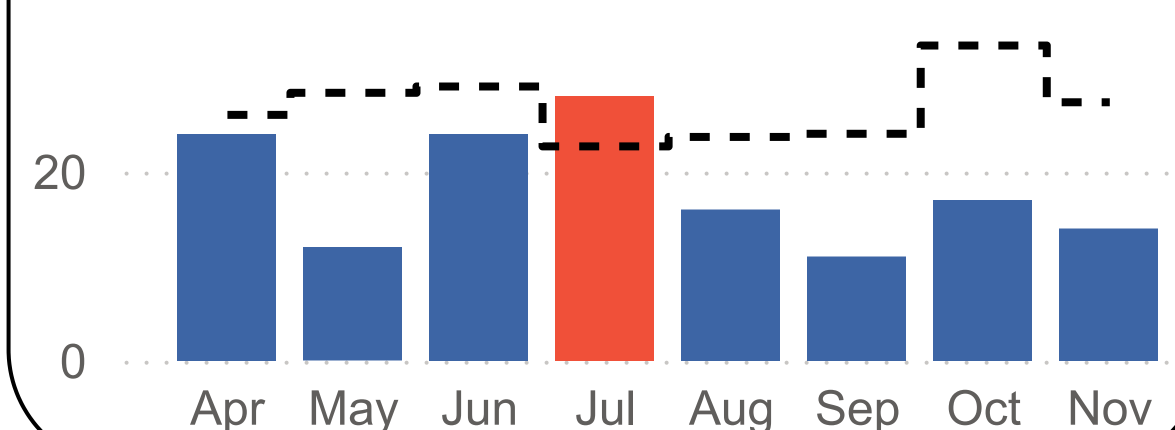
*Road Traffic Collisions are a subset of Non-fires

False Alarms

False Alarms



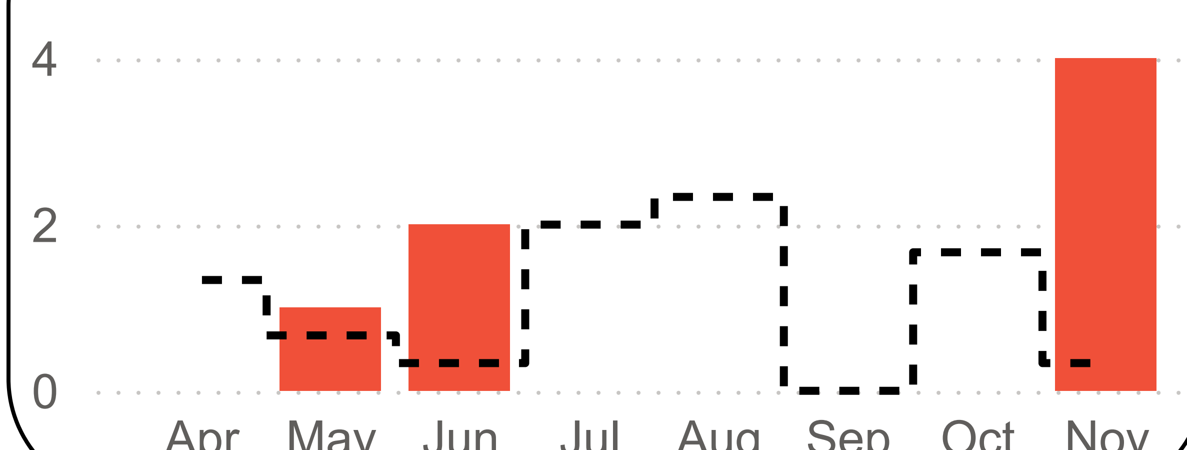
Malicious False Alarms



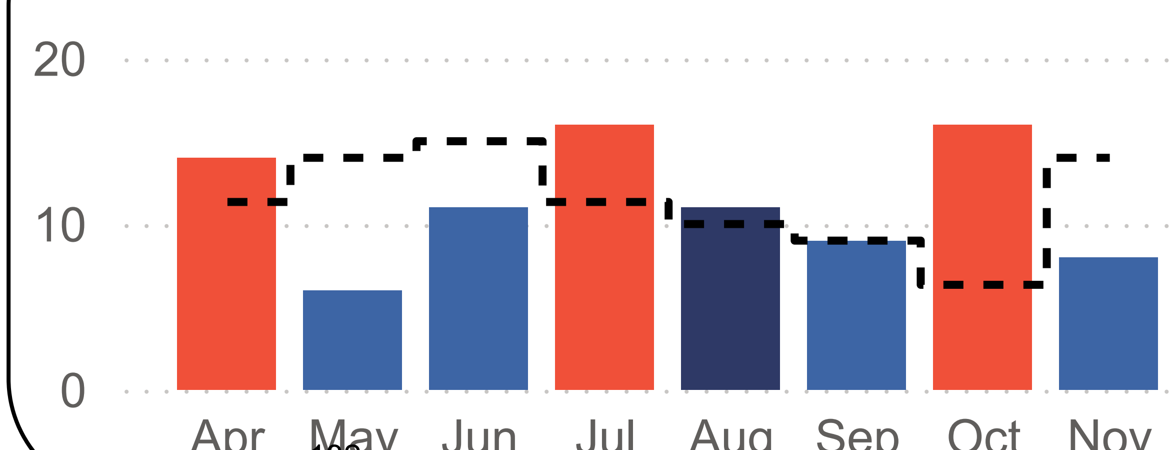
*Malicious False Alarms are a subset of False Alarms

Fire Related Injuries and Fatalities

Fire Related Fatalities



Fire Related Injuries



West Yorkshire
Fire & Rescue Authority

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Agenda item: 08

Risk Management Strategy Group Update

Audit Committee

Date:	13 February 2026
Submitted by:	Director of Corporate Services
Purpose:	To report risk management activity and developments reported to Risk Management Strategy Group (RMSG) in December 2025 and highlight any future risks or risk related areas.
Recommendations:	That Members note the report
Summary:	The overall responsibility of the RMSG is to maintain the Authority's risk management capabilities and to develop strategies to effectively manage new and existing risks. The RMSG meet on a quarterly basis, and the group is chaired by the Deputy Chief Fire Officer/Director of Service Delivery. The RMSG is one element that supports the Authority's Code of Corporate Governance in terms of risk management and internal control.

Local Government (Access to information) Act 1972

Exemption Category:	None
Contact Officer:	John Tideswell, Risk Management Officer. john.tideswell@westyorksfire.gov.uk; T: 01274 682311
Background papers open to inspection:	Risk Management Strategy and Policy
Annexes:	None.

1. Introduction

1.1 The Authority's Risk Management Strategy and Policy provide a clear and defined strategy to enable risk management objectives to be met.

The Risk Management Strategy Group (RMSG) has the responsibility of maintaining the Authority's risk management capabilities and developing strategies to effectively manage new and existing risks. The group meet every three months at which time a summary of risk reviews that have occurred in the past three months is provided by each risk owner.

1.2 The group is also responsible for sharing and promoting experience of risk management and strategies across the Authority.

2. Information

2.1 The Risk Management Strategy Group last met in December 2025. The Audit Manager from Kirklees Council attends RMSG meetings and provides an update on recent internal audit activity.

2.2 Below is a summary of key areas:

- Between the September 2025 and December 2025 RMSG meetings, 7 risks have been reviewed by their respective owners.
- A review of the Risk Management Strategy and Policy and the relating management system/arrangements commenced in March 2025. As part of this review the current 'foreseeable' risk register is also being reviewed with the aim of combining risks on this register with the current corporate risk matrix if they are of a strategic/significant level. A scope and action plan for this piece of work has been created, and progress/ proposals will be submitted to each RMSG meeting during the next 12 months. Any significant changes to the risk management system/strategy/policy/register, will be submitted to Audit Committee for review/approval. This review also includes new processes for risk identification screening assessments and risk capability grading.
- The implementation of a fraud risk assessment process (Internal Audit 2024 recommendation/action) has been completed, which included the creation of a guidance document for managers and an assessment submission form. A summary report will be presented at the Audit Committee meeting in February 2026. This process has also identified the need to review staff training/awareness in this area.
- A new risk 'GIAT1.S - Global insecurity leading to threat of conflict. Particular focus on European context with possibility of hostile events, affecting UK interests.
- The risk related to the availability of fuel for service delivery vehicles will be reviewed due to the increase in WYFRS electric vehicles and relating available contingencies (charging facilities/infrastructure).
- Two e-learning modules (GDPR and Data Security) have been developed and issued to all staff to complete. This should assist with minimising potential risks relating to 'Misuse of Information Assets'.

2.3 There are currently 44 risks split between the following categories. The table below shows movement over the past 12 months.

Risk Factor Score	March 2025	June 2025	September 2025	December 2025
Very High (15-25)	7	6 (VACC1.S UP)	6	7 (GIAT1.S NEW)
High (9-14)	18 (INDA1.S/ DOPP1.S)	18 (PRMS1.S DOWN)	19 (PLOS1.S UP)	19
Medium (4-8)	18	19 (ECON1.S DOWN)	18	18
Low (1-3)	0	0	0	0
Total number of risks	43	43	43	44

The 7 'very high' risks are:

- LRGG1.S - Loss or reduction in government grant.
- WAFL1.S - Wide area flooding and swift water rescue.
- MTAE1.S - Responding to a marauding terrorist attack event.
- PAY1.S - Pay increases in excess of the amount included in contingencies.
- CYBS1.S - A digital attack or an unauthorised attempt to access WYFRS systems that impacts on the integrity, confidentiality, or availability of systems and/or the information within them.
- VACC1.S - Vehicle accidents causing death, injury, repair costs, unavailability and reputational damage.
- GIAT1.S - Global insecurity leading to threat of conflict. Particular focus on European context with possibility of hostile events, affecting UK interests.

All risks on the corporate risk matrix are reviewed at least once per year, which includes their relating mitigating actions/control measures.

3. Financial Implications

There are no financial implications arising from this report.

4. Legal Implications

The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5. Human Resource and Diversity Implications

There are no human resources and diversity implications arising from this report.

6. Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?:

No

7. Health, Safety and Wellbeing Implications

There are no health and safety, wellbeing implications arising from this report.

8. Environmental Implications

There are no environmental implications associated with this report.

9. Your Fire and Rescue Service Priorities

This report links with the Community Risk Management Plan 2025 - 2028 strategic priorities below:

- Provide a safe, effective and resilient response to local and national emergencies.
- Focus our activities on reducing risk and vulnerability.
- Enhance the health, safety, and well-being of our people.

10. Conclusions

That Members note the report.

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Agenda item: 09

Internal Audit Quarterly Report

Audit Committee

Date:	13th February 2026
Submitted by:	Director of Finance and Procurement
Purpose:	To present the Internal Audit Quarterly Report October to December 2025
Recommendations:	That members note the content of the report
Summary:	This report provides a summary of the audit activity for the period October to December 2025 and to report the findings to the Committee.

Local Government (Access to information) Act 1972

Exemption Category:	Nil
Contact Officer:	Alison Wood, Director of Finance and Procurement Alison.wood@westyorksfire.gov.uk 07500 075362 Simon Straker, Internal Audit Manager Simon.straker@kirklees.gov.uk 01484 221000
Background papers open to inspection:	Individual Internal audit reports
Annexes:	Internal Audit Quarterly Report

1. Introduction

1.1 This Committee has the responsibility for monitoring the work of internal audit. In order to facilitate this, Internal Audit provide a quarterly report of its progress which includes a summary of the work completed and an assessment of the level of assurance provided by the systems examined. This report covers the period from October to December 2025.

1.2 On completion of each audit the Auditors provide an assessment of the level of assurance that the control systems in place provide. There are four rankings as detailed below:

Substantial assurance

Adequate assurance

Limited assurance

No assurance

1.3 This report includes a detailed explanation of action which has been taken on any audits which are ranked as providing either limited assurance or no assurance.

2. Information

Audit Work

2.1 This report contains an update on audit work included within the 2025/26 audit plan.

In the period October to December, one audit has been completed which received an adequate opinion and three audits are currently in progress.

2.2 As agreed with the Audit Committee, the report has been expanded to include details of the key recommendations applicable to each audit that does not result in a formal follow up visit and the action taken by management regarding their implementation.

3. Financial Implications

3.1 There are no financial implications associated with this report.

4. Legal Implications

4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5. Human Resource and Diversity Implications

5.1 There are no human resource and diversity implications associated with this report.

6. Equality Impact Assessment

6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? : No

7. Health, Safety and Wellbeing Implications

7.1 There are no health, safety and wellbeing implications associated with this report.

8. Environmental Implications

8.1 There are no environmental implications associated with this report.

9. Risk Management Implications

9.1 There are no risk management implications

10. Duty to Collaborate Implications (Police and Crime Act 2017)

10.1 There are no duty to collaborate implications arising directly from this report.

11. Your Fire and Rescue Service Priorities

11.1 This report links with the Community Risk Management Plan 2022-25 strategic priorities below:

- Provide ethical governance and value for money.

12. Conclusions

12.1 This report has updated members with the internal audits conducted within the third quarter of 2025/26, October to December 2025.

INTERNAL AUDIT QUARTERLY REPORT

2025/26

October to December 2025

Simon Straker: Audit Manager

ABOUT THIS REPORT

This report contains information about the work of the Authority's Internal Audit provided by Kirklees Council. The 2025/26 Audit Plan was approved by this Committee at the start of the year covering a variety of areas enabling an annual opinion to be formed on the Authority’s governance, risk management and internal control arrangements.

For ease of reference the audits are categorised as follows:

1. Summary
2. Major and Special Investigations
3. Key Financial Systems
4. Other Financial Systems & Risks
5. Locations and Departments
6. Business Risks & Controls
7. Governance Audits
8. Follow Up Audits
9. Recommendation Implementation
10. Advice, Consultancy & Other Work
11. Audit Plan Delivery

Investigation summaries may be included as a separate appendix depending upon the findings.
When reports have been agreed and finalised with the Director concerned and an Action Plan drawn up to implement any improvements, the findings are shown in the text. Incomplete audits are shown as Work in Progress together with the status reached: these will be reported in detail in a subsequent report once finalised.
Good practice suggests that the Authority's management and the Audit Committee should receive an audit opinion reached at the time of an audit based upon the management of risk concerning the activity and the operation of financial and other controls. At the first meeting of the Audit Committee, Members resolved to adopt an arrangement relating to the level of assurance that each audit provides.
As agreed with the Audit Committee, the report has been expanded to include details of the key recommendations applicable to each audit that does not result in a formal follow up visit and updated opinion and the action taken by management regarding their implementation.
The final section of the report concerns Audit Plan delivery.

Explanation of Recommendations and Assurance Levels

Classification of Recommendations

Each recommendation is classified as follows:

Fundamental – A recommendation, often requiring immediate action that is key to maintaining an appropriate control environment and thereby avoiding exposure to a significant risk to the achievement of the objectives of the system, process, or location under review.

Significant – A recommendation requiring action that is necessary to improve the control environment and thereby avoid exposure to a risk to the achievement of the objectives of the system, process, or location under review.

Merits Attention – A recommendation where action is advised to enhance control or improve operational efficiency.

Assurance Level

The number and classification of recommendations determines the opinion on the level of assurance derived from the audit as follows:

Assurance Level	**Recommendation Classification**		
	Fundamental	**Significant**	**Merits Attention**
Substantial	There are no fundamental recommendations	There are no more than one significant recommendation	There are no more than 5 merits attention recommendations.
Adequate	There are no fundamental recommendations	There are 2 – 4 significant recommendations	There are 6 – 10 merits attention recommendations
Limited	There is 1 or more fundamental recommendations	There are more than 4 significant recommendations	There are more than 10 merits attention recommendations
No Assurance	The number of fundamental recommendations made reflects an unacceptable control environment	N/A	N/A

The opinion reflects both the adequacy of the control arrangements and the extent to which they are applied as follows:

Assurance Level	**Control Adequacy**	**Control Application**
Substantial	A robust framework of all key controls exists that are likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
Adequate	A sufficient framework of key controls exists that are likely to result in objectives being achieved but the overall control framework could be stronger.	Controls are applied but with some lapses.
Limited	Risk exists of objectives not being achieved due to the absence of a number of key controls in the system.	Significant breakdown in the application of a number of key and / or controls.
No Assurance	Significant risk exists of objectives not being achieved due to the absence of key controls in the system.	Serious breakdown in the application of key controls.

1. SUMMARY

This report contains details of work planned and completed during the third quarter of 2025/26, covering the current Plan approved by the Committee at the start of the year, that includes three audits brought forward from last year with the agreement of management.

Four audits were originally scheduled for this Quarter (see Section 10), plus one brought forward from Quarter 4 concerning Keighley Fire Station Refurbishment, Management then requested one be deferred to Quarter 4. Of these, one has been completed with a positive opinion, and 3 are in progress.

Several agreed recommendations were due to have been implemented by 31 December, as well as those covered in the previous quarterly report which are also described herein; progress by management in addressing the issues is shown in Section 9 overleaf.

2. SPECIAL INVESTIGATIONS & REVIEWS

None during this period.

3. KEY FINANCIAL SYSTEMS & RISKS

None during this period.

4. OTHER FINANCIAL SYSTEMS & RISKS

Director of Service Support		
Interim audit of Keighley Fire Station Refurbishment Contract	An audit of the draft final account was scheduled originally for Quarter 4 given the planned completion date of the contract. However, in the interim a dispute has arisen with the principal contractor which may take some time to resolve satisfactorily. Therefore, it was agreed at the Major Projects Strategy Group chaired by the Director than an interim audit should be undertaken, on a similar basis that had occurred in relation to the Headquarters Development scheme. The interim audit is in progress.	

5. LOCATION & DEPARTMENT AUDITS

None during this period.

6. BUSINESS RISK AUDITS

This category of audits reflects the Audit Strategy to incorporate coverage of the controls and management actions to respond to the key risks to the Authority's objectives as codified in the Corporate Risk Matrix.

Director of Service Delivery		
Implementation of Grenfell Inquiry Recommendations	Audit in Progress.	

Managing the Risk of an Industrial Dispute	The audit provided assurance that the arrangements in place in relation to the management controls as described in the corporate Risk Management Matrix to mitigate the risk of Industrial Action are robust. There is a specific Business Continuity Plan in place for industrial action which predominantly outlines the strategy for operational firefighters but also includes arrangements for non-operational staff. Other key documentation was also noted to be in place such as the Gold Command Strategy and the draft Request for Military Aid to the Civil Authorities is ready to be submitted to the Home Office. A significant amount of the relevant documentation was updated in late 2022 / early 2023 because in late January 2023, Fire Brigades Union members voted in favour of strike action. This would have triggered the first national fire service strike since 2003. However, a revised pay package was then accepted. The likelihood of strike action has fallen significantly since this time, and this has been reflected in scoring for the Risk Matrix.	Adequate Assurance
Prevention Database	Management requested this item be deferred until Quarter 4 owing to other ongoing priorities and this request was agreed. The audit has now been commenced.	

7. GOVERNANCE AUDITS

Director of Corporate Services		
Corporate Governance Arrangements	Audit in progress.	

8. FOLLOW UP AUDITS

Any audits that result in a less than adequate assurance opinion are followed up usually within six months, depending upon the timescale for implementing the agreed recommendations. Additionally, a sample of other audits is followed up periodically too.

None during this period.

9. IMPLEMENTATION OF RECOMMENDATIONS & EXTENSIONS OF TIME TO IMPLEMENT

Three agreed recommendations were due to have been actioned by 30 September 2025. Updates are shown in the table below.

Those then due for completion by the end of December and progress made is also described overleaf.

Open Recommendations	**Classification**	**Overdue at 30 September**	**Due by 30 December**	**Implemented**
All	Fundamental	**0**	**1**	**1**
	Significant	**2**	**8**	**2**
	Merits Attention	**1**	**1**	**1**
	Total	**3**	**10**	**4**
Audit / Recommendation	**Classification**	**Agreed Implementation Date**	**Progress per Management**	**Status**
Direct of Service Delivery Hydrant Maintenance & Management				
The risk-based approach to inspection should be reviewed and refined to include: • a review and amendment of appropriate inspection targets based on achievable time periods within resource capabilities. • a simple process to identify appropriate risk classification and other risk indicators and then to record this on SC Capture to ensure there is an audit trail of the profile determined.	Significant	December 2025	Re-scheduled to September 2025 – update awaited.	Open.

Director of People & Culture Counter Fraud & Corruption				
HR and training administration should update materials and communications for induction processes regarding training, and the existing Access training database should be revisited to include general fraud awareness/ how to report to make prevention and detection of fraud more effective.	Significant	December 2024	Still under review – to determine a suitable supplier and the extent to which a relevant, tailored product can be resourced.	Open.
The current HR induction presentation and communications should include reference to key policy documentation such as Whistleblowing and Authority website links for future access to ensure employee awareness and engagement.	Merits Attention	December 2024	The corporate induction process and documentation is now to be reviewed (during 2026) and fraud awareness will form one aspect of the review. In the meantime, the Director of Finance & Procurement has put in place actions that will address the improvements needed overall, one of which would be to cover fraud awareness by expanding the current briefing for new staff on the work of the Corporate Resources Directorate, alongside the section on whistleblowing.	Open.

Director of Service Delivery Provision of an Effective Commercial Premises Risk Management System for Operational Response				
A Data Cleansing exercise should be completed to remove erroneous records.	Significant	October 2025	Complete	Closed
Priority should be given to resolving the issues preventing the Mobile Data Terminals inside appliances being the primary trusted point of access for obtaining key information for Operational Responses.	Fundamental	October 2025	Complete	Closed
The format of the turnout sheets should be reviewed and changed to present the information in a more readable format.	Significant	October 2025	Complete	Closed
Director of People & Culture Absence Management				
Line Managers should be assisted to ensure consistency in the level of detail recorded as part of the back to work interviews.	Significant	October 2025	Response awaited.	
Continue to conduct analysis to determine the underlying causes and/or external factors influencing higher than expected absence levels and inform the People & Culture Committee accordingly.	Significant	October 2025	As above.	
Provide additional context to the absence data figures showing the cost of absence in quarterly performance reporting.	Significant	October 2025	As above.	
Director of Service Delivery Flood Risk				

The risk as written should be reviewed and split into 2 risks, as although there are similarities in response, the likelihood of the two events occurring would seem to differ.	Significant	December 2025	The risk matrix actions are still under review, there is a cross over here between the risk matrix and the foreseeable risk register, our foreseeable risk is fluvial, pluvial and reservoir inundation. Work is ongoing with the Operational Support and Risk Management teams to ensure the terminology works across all areas. It is envisaged this will be complete by February 2026.	Open.
The “Control/Action” section of the Risk Management Matrix should be reviewed to focus specifically on actions and controls (as per, for example risk 17, “Severe Weather Other”). Presently it is largely a list of policy documents rather than a description of key mitigating controls/actions.	Significant	December 2025	As above.	Open.
Operational Training should have processes in place that ensure Firefighters update the competency dashboard on a timely basis.	Merits Attention	December 2025	Crews have been informed accordingly.	Closed.
Management should agree a way forward in relation to fulfilling the requirements of the Concept of Operations for National Deployment via eLearning and scenarios and implement as appropriate.	Significant	December 2025	Has been delayed by the introduction of the new DEFRA Concept of Operations	Open.

			document (released Dec 2025). A full gap analysis of this new document has been completed and a change to our approach of delivering training has been recommended. This will go before the Senior Ops Team for a decision in Feb 2026, at this point if agreed the internal input will be programmed in and delivered.	

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10. ADVICE, CONSULTANCY & OTHER WORK

Internal Audit has been commissioned to provide assurance, oversight and challenge to the Major Project Strategic Finance Group that meets monthly, chaired by the Directors of Finance & Procurement / Service Support.

11. AUDIT PLAN 2025/26 DELIVERY

	Planned for Quarter	Status
Audit Opinion on **Internal Control**		
• IT Network Access	1	Complete
• Bank Reconciliation and Account Management	1	Complete
• Safe and Well Visits*	2	Complete
• Prevention Database*	3	Deferred to Quarter 4
• Keighley Fire Station Project	4	Interim audit in progress
• Discrimination	3	
• Payroll	4	
• Workforce Planning	4	
• Business Continuity	4	
• Follow up of Commercial Premises Risk Management System	3	
Audit Opinion on **Governance**		
• Corporate Governance and Ethics	3	In progress
Audit Opinion on Risk **Management**		
• Vehicle Accident Risk	1	Complete
• Wide-area Flooding Risk	2	Complete
• Industrial Dispute Risk	2	Complete
• Implementation of Grenfell Recommendations Phase 2 Risk	4	In progress

Consultancy
per Terms of Reference agreed with the respective Groups

- Major Strategic Projects – Finance Group
- ESN Programme SROs

160 Days in Total per SLA

*Management Board request

Performance Indicators		24/25 Actual	25/26 Target	25/26 Actual
Audits completed within the planned time allowance		78%	80%	84%
Draft reports issued within 10 days of fieldwork completion		100%	90%	100%
Client satisfaction in post audit questionnaires		n/a	90%	n/a
Chargeable audit days		121	160	90
QA compliance sample checks – % pass		100	100	n/a
Planned Audits Completed		9	14	6
Planned Audits in Progress		0		3
Planned Audits Deferred		3		1
Planned Audits to Start				4
Unplanned Work requested by Executive Leadership Team Completed		0		0
Unplanned Work in Progress		0		0