

**BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY
BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE**



Director of Legal & Governance, Graham Britten
Buckinghamshire Fire & Rescue Service
Brigade HQ, Stocklake, Aylesbury, Bucks HP20 1BD
Tel: 01296 744441

Chief Fire Officer and Chief Executive
Louise Harrison

To: The Members of the Overview and Audit Committee

5 October 2026

**MEMBERS OF THE PRESS
AND PUBLIC**

Please note the content of
Page 2 of this Agenda Pack

Dear Councillor

Your attendance is requested at a meeting of the **OVERVIEW AND AUDIT COMMITTEE** of the **BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY** to be held in **MEETING ROOM 1, BLUE LIGHT HUB, 3 THORNBURY, WEST ASHLAND, MILTON KEYNES, MK6 4BB** on **WEDNESDAY 14 OCTOBER 2026 at 10.00 AM** when the business set out overleaf will be transacted.

Yours faithfully

Graham Britten
Director of Legal and Governance

Health and Safety

There will be limited facilities for members of the public to observe the meeting in person, therefore a recording of the meeting will be available after the meeting at the web address provided overleaf.

Chairman: Councillor Wilson

Councillors: Adoh, Banks, Carroll, Exon, Gomm, A Hussain, M Hussain OBE, Sherwell



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To observe the meeting as a member of the Press and Public

The Authority supports the principles of openness and transparency. To enable members of the press and public to see or hear the meeting this meeting will be livestreamed. Please visit: <https://www.youtube.com/channel/UCWmIXPWAscxpL3vIiv7bh1Q>

The Authority also allows the use of social networking websites and blogging to communicate with people about what is happening, as it happens.

Adjournment and Rights to Speak – Public

The Authority may adjourn a Meeting to hear a member of the public on a particular agenda item. The proposal to adjourn must be moved by a Member, seconded and agreed by a majority of the Members present and voting.

A request to speak on a specified agenda item should be submitted by email to gbritten@bucksfire.gov.uk by 4pm on the Monday prior to the meeting. Please state if you would like the Director of Legal and Governance to read out the statement on your behalf, or if you would like to be sent a 'teams' meeting invitation to join the meeting at the specified agenda item.

If the meeting is then adjourned, prior to inviting a member of the public to speak, the Chairman should advise that they:

- (a) speak for no more than four minutes,
- (b) should only speak once unless the Chairman agrees otherwise.

The Chairman should resume the Meeting as soon as possible, with the agreement of the other Members present. Adjournments do not form part of the Meeting.

Rights to Speak - Members

A Member of the constituent Councils who is not a Member of the Authority may attend Meetings of the Authority or its Committees to make a statement on behalf of the Member's constituents in the case of any item under discussion which directly affects the Member's division, with the prior consent of the Chairman of the Meeting which will not be unreasonably withheld. The Member's statement will not last longer than four minutes. Such attendance will be facilitated if requests are made to enquiries@bucksfire.gov.uk at least two clear working days before the meeting.

Statements can be read out on behalf of the Member by the Director of Legal and Governance, or the Member may request a 'teams' meeting invitation to join the meeting at the specified agenda item.

Where the Chairman of a Committee has agreed to extend an invitation to all Members of the Authority to attend when major matters of policy are being considered, a Member who is not a member of the Committee may attend and speak at such Meetings at the invitation of the Chairman of that Committee.

Questions

Members of the Authority, or its constituent councils, District, or Parish Councils may submit written questions prior to the Meeting to allow their full and proper consideration. Such questions shall be received by the Monitoring Officer to the Authority, *in writing*, at least two clear working days before the day of the Meeting of the Authority or the Committee.

OVERVIEW AND AUDIT COMMITTEE

TERMS OF REFERENCE

Overview

1. To review current and emerging organisational issues and make recommendations to the Executive Committee as appropriate.
2. To comment upon proposed new policies and make recommendations to the Executive Committee as appropriate.
3. To review issues referred by the Authority and its other bodies and make recommendations to those bodies as appropriate.
4. To make recommendations to the Executive Committee on:
 - (a) the Electronic Services Delivery Plan;
 - (b) the Brigade Personnel Strategy;
 - (c) Levels of Incident Response;
 - (d) the Corporate Risk Management Policy;
 - (e) the Authority's Information Policy; andother such policies and procedures as are required from time to time
5. To consider and make recommendations to the Authority on the Annual Treasury Management Strategy.

Audit

1. To determine the internal and external audit plans and the Internal Audit Strategy
2. To determine the Internal Audit Annual Plan and Annual Report (including a summary of internal audit activity and the level of assurance it can give over the Authority's governance arrangements).
3. To consider and make recommendations on action plans arising from internal and external audit reports, including arrangements to ensure that processes which deliver value for money are maintained and developed.
4. To consider and make recommendations to the Executive Committee on reports dealing with the management and performance of the providers of internal audit services.
5. To consider and make recommendations on the external auditor's Annual Audit Letter and Action Plan, relevant reports and the report to those charged with governance.
6. To consider specific reports as agreed with the Treasurer, Internal Audit, Monitoring Officer, Chief Fire Officer, or external audit and to make decisions as appropriate.
7. To comment on the scope and depth of external audit work and to ensure it gives value for money.
8. To oversee investigations arising out of fraud and corruption allegations.

9. To determine Insurance matters not delegated to officers, or another committee.
10. To consider and determine as appropriate such other matters as are required in legislation or guidance to be within the proper remit of this Committee.

Governance

1. To:
 - (a) make recommendations to the Authority in respect of:
 - (i) variations to Financial Regulations; and
 - (ii) variations to Contract Standing Orders.
 - (b) receive a report from the Chief Finance Officer/Treasurer when there has been any variation to the Financial Instructions in the preceding twelve month period.
2. To determine the following issues:
 - (a) the Authority's Anti-Money Laundering Policy;
 - (b) the Authority's Whistleblowing Policy; and
 - (c) the Authority's Anti Fraud and Corruption Policy.
3. To determine the Statement of Accounts and the Authority's Annual Governance Statement. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Authority.
4. To consider the Authority's arrangements for corporate governance and make recommendations to ensure compliance with best practice.
5. To monitor the Authority's compliance with its own and other published standards and controls.
6. To maintain and promote high standards of conduct by the Members and co-opted members of the Authority.
7. To assist Members and co-opted members of the Authority to observe the Authority's Code of Conduct.
8. To advise the Authority on the adoption or revision of a code of conduct.
9. To monitor the operation of the Authority's Code of Conduct
10. To deal with cases referred by the Monitoring Officer.
11. To advise on training, or arranging to train Members and co-opted members of the Authority on matters relating to the Authority's Code of Conduct.
12. To monitor the operation of any registers of interest, of disclosures of interests and disclosures of gifts and hospitality in respect of officers or Members

Risk

1. To monitor the effective development and operation of risk management and corporate governance within the Authority.

2. To consider reports dealing with the management of risk across the organisation, identifying the key risks facing the Authority and seeking assurance of appropriate management action.

Employees

1. To be a sounding board to help the Authority promote and maintain high standards of conduct by employees of the Authority.
2. To advise the Executive Committee on the adoption or revision of any policies, codes or guidance:
 - (a) regulating working relationships between members and co-opted members of the Authority and the employees of the Authority;
 - (b) governing the conduct of employees of the Authority; or
 - (c) relating to complaints; andother such policies and procedures as are required from time to time.
3. To monitor the operation of any such policies, codes or guidance mentioned at 2 above.
4. To comment on the training arrangements in connection with any of the above.

General

1. To make such other recommendations to the Executive Committee on the issues within the remit of the Overview and Audit Committee as required.
2. To review any issue referred to it by the Chief Fire Officer, Treasurer, or Monitoring Officer, or any Authority body within the remit of these terms of reference.
3. To consider such other matters as are required in legislation or guidance to be within the proper remit of this Committee.
4. To commission reports from the Chief Fire Officer, the Internal Audit Service, the Monitoring Officer, or such other officer as is appropriate, when the Committee agrees that such reports are necessary.
5. To support the Monitoring Officer and the Treasurer in their statutory roles and in the issue of any guidance by them.
6. To receiving reports from the Monitoring Officer in his/her statutory role or otherwise relating to ethical standards and deciding action as appropriate.
7. To respond to consultation on probity and the ethical standards of public authorities.

AGENDA

Item No:

1. Apologies

2. Minutes

To approve, and sign as a correct record the Minutes of the meeting of the Overview and Audit Committee held on 22 July 2026 (Item 2) **(Pages 9 - 24)**

3. Matters Arising from the Previous Meeting

The Chairman to invite officers to provide verbal updates on any actions noted in the Minutes from the previous meeting.

4. Disclosure of Interests

Members to declare any disclosable pecuniary interests they may have in any matter being considered which are not entered onto the Authority's Register, and officers to disclose any interests they may have in any contract to be considered.

5. Questions

To receive questions in accordance with Standing Order SOA7.

6. Corporate Risk Management

To consider item 6 **(Pages 25 - 54)**

7. Internal Audit Progress Report

To consider item 7 **(Pages 55 - 64)**

8. Final Internal Audit Reports

To consider item 8 **(Pages 65 - 86)**

9. Draft Auditor's Annual Report - Year-ended 31 March 2026

To consider item 9 **(Pages 87 - 132)**

10. Treasury Management Performance April to June 2026/27

To consider item 10 **(Pages 133 - 144)**

11. Forward Plan

To note item 11 (**Pages 145 - 146**)

12. Date of Next Meeting

To note that the next meeting of the Overview and Audit Committee will be held on Wednesday 27 January 2027 at 10am.

If you have any enquiries about this agenda please contact: Katie Nellist (Democratic Services Officer) – Tel: (01296) 744633 email: knellist@bucksfire.gov.uk

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Buckinghamshire & Milton Keynes Fire Authority

Minutes of the Meeting of the OVERVIEW AND AUDIT COMMITTEE of the
BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 22
JULY 2026 at 10 AM.

Present: Councillors Banks, Exon, Geary (substitute), Gomm, A Hussain, M
Hussain OBE, Sherwell and Wilson

Officers: S Tuffley (Deputy Chief Fire Officer), G Britten (Director of Legal and
Governance), D Buchanan (Assistant Chief Fire Officer), M Hemming
(Director of Finance and Assets), R Davidson (Director of People), A
Carter (Head of Service Improvement), A Hussain (Head of Finance and
Assets), M Hussey (Principal Accountant), A Burch (Head of Prevention
and Protection), L Parmar (Risk and Business Continuity Manager), L
Ascott (Risk and Business Continuity Officer), R Heppleston (Chief
Internal Auditor, Buckinghamshire Council), A Prestridge (Audit Delivery
Manager, Buckinghamshire Council) and K Nellist (Democratic Services
Officer)

Online: K Henry (External Auditor KPMG)

Attending: Councillor Stuchbury (part)

Apologies: Councillor Adoh and Carroll

The Vice-Chairman welcomed Members to the Overview and Audit
Committee Meeting of the Buckinghamshire & Milton Keynes Fire
Authority.

OA01 ELECTION OF CHAIRMAN

(Councillor Banks in the Chair)

It was proposed and seconded that Councillor Wilson be elected
Chairman of the Committee for 2026/27.

RESOLVED –

That Councillor Wilson be elected as Chairman of the Committee for
2026/27.

(Councillor Wilson in the Chair)

OA02 APPOINTMENT OF VICE-CHAIRMAN

It was proposed and seconded that Councillor Banks be appointed
Vice-Chairman of the Committee for 2026/27.

RESOLVED –

That Councillor Banks be appointed Vice-Chairman of the Committee for 2026/27.

OA03 MINUTES

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on Wednesday 11 March 2026, be approved, and signed by the Chairman as a correct record.

OA04 MATTERS ARISING FROM THE PREVIOUS MINUTES

The Chairman advised that:

OA44 - INTERNAL AUDIT REPORT: FY2025/26 FINAL INTERNAL AUDIT REPORTS - Programme Management Assurance Review – The Chairman felt that an update should come back to the Committee in the next 12 months and be scheduled onto the Forward Plan for next year. The Head of Service Improvement advised that action had already been taken to address the recommendations, with Members now seeing a regular Annual Plan update coming to the Executive Committee. A more detailed update on how the recommendations were progressing would be provided in March 2027.

OA46 - INTERNAL AUDIT REPORT: DRAFT INTERNAL AUDIT PLAN 2026/27 - A Member asked if a visit to the Blue Light Hub could be arranged. The Chairman asked if the next meeting could be hosted there. The Democratic Services Officer advised that the next meeting of the Committee was being held at the Blue Light Hub on Wednesday 14 October.

OA47 - CORPORATE RISK MANAGEMENT – Boxphish Cybersecurity Training, The Director of Finance and Assets would come back with some guidance. In terms of deadlines, it was a rolling monthly programme. The Director of Finance and Assets advised that Members already receive training from their respective councils but were encouraged to undertake the bite-sized sessions sent to their @bucksfire email addresses to reinforce good practices.

OA50 - ENVIRONMENT AND CLIMATE ACTION PLAN UPDATE AND SUSTAINABILITY FRAMEWORK – The Director of Finance and Assets advised that under the Climate Action Plan there had been a mid-term update, but it would be beneficial to make it an annual item, so Members could review it on a more regular basis in terms of progress against achievements. The Director of Finance and Assets advised this would be added to the Forward Plan.

OA05 DISCLOSURES OF INTERESTS

None.

OA06 CORPORATE RISK MANAGEMENT

The Risk and Business Continuity Manager advised Members of the proposed changes to the Corporate Risk Register, of which approval was required. He also advised Members that the Lead Member for Risk, Councillor Stuchbury, and the Lead Members for the risk areas had been consulted separately and invited to provide comments.

The Risk and Business Continuity Manager advised Members that the most significant change related to the Climate Change risk. It was agreed that the current Climate Change risk was primarily focused on the Service's operational readiness to respond to incidents arising from climate change. As a result of increasing occurrences of extreme and prolonged weather events, such incidents often require a greater level of resourcing and can have a significant impact on staff welfare. Members would note that the risk outlined the mitigations already in place, together with the ongoing work being undertaken to further reduce the impact of these incidents.

However, the existing risk does not sufficiently reflect the Service's role in mitigating climate change through its own actions and activities. To address this, it was proposed that the current Climate Change risk be divided into two separate risks. The first one being Major Incident Readiness, which focused on operational response and readiness. While climate change was recognised as a key factor in increasing the likelihood and frequency of major incidents, the revised risk also acknowledged other factors that may place additional pressures on resources and the Service's overall capabilities. This risk was not concerned with day-to-day operational activity, but rather larger-scale incidents that required resources beyond normal response arrangements.

The second new risk was Sustainability, which highlighted the Service's ability to act in a way that was environmentally responsible. This included activities such as reducing the carbon footprint by having energy-efficient estates and vehicles and introducing improved cooling and ventilation to estates.

It was felt that making this split was important, so that focus on each area could be made clearer and the importance of each side of this risk was not greyed out by all being in one risk.

A member asked if the good work undertaken by Prevention staff could be extended to include some of the climate change risks.

The Head of Prevention and Protection gave Members some examples of work Prevention were currently undertaking. Officers attended the National Farmers Union (NFU) Health and Safety event which was an opportunity to engage with the farmers network to talk about fire safety on farms. Guidance had been updated online, and some social media posts had been sent out. The Service also ran a programme called Fire Sense, which was engagement with other professionals including social care, community nurses etc., and looked at opportunities where if it was not the Service getting through the threshold, how other professionals could consider the risks in the home and how to support them.

The Risk and Business Continuity Manager advised that the next risk to be brought to Members attention was the financial stability one. As papers for this meeting were submitted in June, the Financial Sustainability risk stated that the Service was still waiting for national pay awards to be voted on but there had now been some progress.

The Director of Finance and Assets advised that the pay award had been agreed at 3.8%, (4% had been budgeted for). Whilst this was positive, the pay award was only agreed by a majority of 54% in favour. Inflation figures released today showed that it had fallen slightly, but analysts expect it to increase again. The cost of living continued to be a challenge. Future pay awards were being budgeted at 3% for the next three years, this may not be high enough. Given that 75% approximately of costs were pay related, small changes in pay awards could have a huge increase on the budget.

The Director of Finance and Assets suggested to Members that the finance risk be elevated to the upper level, four by four on the grid from three by four, to recognise the fact that potential increases to pay awards would have a big impact on future years' budgets.

A Member advised that the Buckinghamshire local plan was coming out this week, which would mean a lot more houses, and there were currently about 10,000 houses with planning permission in the process of being built in Aylesbury, was there a plan for ensuring there was the right appliance in the right area in a timely way.

The Director of Finance and Assets advised that in the Community Risk Management Plan (CRMP) one of the biggest risks identified was housing growth. Buckinghamshire Council had been engaging with the officers at an early opportunity when they were drafting the plan and shared the planned areas of housing growth as it was important for the Service to know where the housing growth was going to be. Officers identified some key areas predominantly around existing on-call stations, where crewing may need to be increased or the station

upgraded to accommodate a larger capacity and those areas where funding may be required, but the Service was working closely with the council on this.

The Chairman advised that in the Buckinghamshire Local Plan there was £16M provisioned for the fire service in the infrastructure delivery plan, predominantly around four stations. The Buckinghamshire Local Plan was a 20-year plan and the CRMP was a five-year plan and would be updated to reflect whatever becomes the adopted plan for Buckinghamshire and Milton Keynes.

The Chairman was advised that the decision of the Committee to increase the financial sustainability risk score would be conveyed to the Lead Member for him to apprise the Authority.

The Risk and Business Continuity Manager advised that the last risk to bring to Members attention was local government reorganisation.

The Director of Legal and Governance advised that when this was placed on the register, the focus was on the three competing bids for the abolition of the two-tier local government system in Oxfordshire, and it was recognised that two of those bids would have an impact on the governance of both Oxfordshire Fire and Rescue Authority and Royal Berkshire Fire and Rescue Authority. Those two bids both included the creation of a new unitary council, tentatively called Ridgeway Council, which would straddle the geographical areas of both Oxfordshire Fire and Rescue Authority and Royal Berkshire Fire and Rescue Authority.

Last week it was announced that the three unitary authority model was approved by the government. This meant the footprint of the historic area of Oxfordshire would no longer be able to be administered by a county fire and rescue authority. What had been ranked on the Corporate Risk Register as a possibility, had become a likelihood. In terms of impact, as the internal focus and resources that Oxfordshire and Royal Berkshire Fire and Rescue Service officers would need to commit to looking at the options for their services that these governance changes may have. This may have both negative and positive impacts on existing collaborations such as the TVFCS and potential collaboration opportunities. An officer group would be established to consider the implications in more detail.

RESOLVED -

1. That the status and changes of identified corporate risks at Appendix 1 be reviewed and approved.

It being proposed and seconded, it was

RESOLVED -

Director of
Finance and
Assets

Risk & Business
Continuity
Manager

2. That the financial sustainability risk be increased from 4x3 to 4x4.

OA07 ANNUAL GOVERNANCE STATEMENT 2025/26

The Director of Legal and Governance advised that the purpose of this report was to gain approval for the Annual Governance Statement 2025/26 to be signed off by the Chair of the Authority and the Chief Fire Officer, in advance of the approval of the Statement of Accounts for 25/26. The format of the Annual Governance Statement was modified from previous years to reflect the addendum CIPFA/SOLACE guidance published May 2025 to apply to Annual Governance Statements. As was usual, the Annual Governance Statement contained an extract from the Chief Internal Auditor's opinion from the Annual Report which the Committee would receive separately in full at this meeting.

Appendix A contained the progress against the action plan from the 2024/25 Annual Governance Statement. Members would note that one action was not completed, which was the governance and reporting structure of the Authority. The Chairman of the Authority had asked that this be carried forward into 26/27 in addition to the items on the 26/27 Action Plan set out in Appendix B. Once approved, the draft Statement would be finalised for signature by the Chair of the Authority and the Chief Fire Officer. The Chair of the Authority has seen the draft and was content for his signature to be added.

RESOLVED –

1. That the Annual Governance Statement 2025/26 be approved.
2. That the progress on the implementation of recommendations of the previous Annual Governance Statement (Appendix A to the Annual Governance Statement) be noted.
3. That the priorities for 2026/27 (Appendix B to the Annual Governance Statement) be agreed.

OA08 INTERNAL AUDIT: ANNUAL INTERNAL AUDIT REPORT

The Chief Internal Auditor introduced himself, as he was new to Buckinghamshire Council and new to the Fire Authority.

The Chief Internal Auditor explained that a comprehensive service review had been undertaken across all business assurance functions, including internal audit, with the aim of creating a more integrated service. The review was nearing completion, and the new service and structure was due to go live on 1 August. As part of the new

structure, two additional posts had been added to the internal audit function, alongside a broader ambition to develop specialist expertise in-house.

Members were informed that the existing resourcing model relied on a co-sourced arrangement with external providers through a public sector framework, including Mazars, which provided specialist advisory support. The intention was to reduce reliance on external providers over time by developing internal expertise in areas such as financial investigations, IT audit, and more senior-level professionally qualified audit roles. It was noted that this represented a significant opportunity to strengthen both resilience and capability within the service.

Recruitment was underway for six new posts and, as a result, there could be some temporary impact on the pace of delivery while vacancies were filled. However, Members were assured that this would not affect the delivery of the audit plan or the availability of the necessary resources and expertise. It was explained that officers would continue to work closely with management and with the Director of Finance and Assets to ensure audits were scheduled appropriately and delivered when the required capacity was available.

It was further explained that work would be undertaken with the management team and the Committee to explore how greater insight could be provided to inform the development of the audit plan, ensure focus was directed towards the most significant risk areas, and support officers through enhanced intelligence on risk management and integrated assurance.

Members were advised that a future strategic update would be brought to the Committee, setting out the roadmap for the coming years. This would explain the implications for the audit function and the services provided, as well as the additional value that could be delivered through lessons learned, horizon scanning and proactive assurance. The intention was to provide meaningful insight that would support the Authority in achieving its objectives and strengthening its governance arrangements.

The Chairman felt that Members would benefit from training in the area of internal audit and risk management.

The Audit Delivery Manager advised Members that the accounts and audit regulations required the Authority to maintain an adequate and effective internal audit service in accordance with the Global Internal Audit Standards and the UK Public Sector Application Note.

Director of
Finance and
Assets

2025-26 was the first year for which the Global Internal Audit Standard requirements applied.

This report outlined the work carried out for the year ending the 31 March and seeks to provide an opinion on the adequacy and effectiveness of the control environment, detailing any significant failures or weaknesses. The opinion was achieved through a risk-based plan of work, which was agreed with management and approved by this Committee. Internal audit was not responsible for the control system itself; management were accountable for maintaining the system of internal control and were responsible for ensuring that there were adequate assurances and arrangements in place for the effective governance of the control framework. The role of internal audit was to provide management with an objective assessment of whether the systems of control were functioning as intended and administered effectively each year. It should be noted that no system of internal control could provide absolute assurance against material misstatements or loss, nor could internal audit give absolute assurance.

Based on the work carried out during 2025-26, the Chief Internal Auditor's opinion for the year was reasonable assurance. It was Internal Audit's view that the Authority had an adequate and effective framework of governance, risk management and internal control for the year ending 31 March 2026.

RESOLVED –

That Members note the Annual Internal Audit Report

OA09 INTERNAL AUDIT: UPDATE ON THE 2025/26 INTERNAL AUDIT PLAN

The Audit Delivery Manager advised that the purpose of this paper was to update Members on the progress made by the Internal Audit Service to deliver the approved 2025/26 Internal Audit Plan. This picks up two particular reports which would be discussed later on the agenda.

RESOLVED –

That Members note the progress on the delivery of the 2025/26 Internal Audit Plan

OA10 INTERNAL AUDIT: PROGRESS UPDATE ON AUDIT MANAGEMENT ACTIONS

The Audit Delivery Manager advised that this paper was to update Members on the progress of the implementation of management actions to address audit findings. In total 35 audit findings had been

raised. 27 had been implemented and closed, and 8 were in-progress and there were no overdue actions to address the findings raised.

RESOLVED –

That Members note the implementation progress of management actions to address audit findings

OA11 INTERNAL AUDIT: FY 2025/26 FINAL INTERNAL AUDIT REPORTS

The Audit Delivery Manager advised that the two reports completed as part of the 2025/26 audit plan, were Fleet Management and Risk Management. The Fleet Management audit received 'reasonable' assurance, and this was a result of the six low priority findings raised. The Risk Management audit also received 'reasonable' assurance, and this resulted from three high, one medium and four low priority findings raised.

RESOLVED –

That Members note the final audit reports for FY 2025/26

OA12 INTERNAL AUDIT: INTERNAL AUDIT PLAN 2026/27

The Audit Delivery Manager advised that the purpose of this paper was to present the final version of the 2026/27 internal audit plan. There had been no changes since approval of the plan in March 2026. Scoping work had already started for the Stores and Estates and Property Maintenance audits, and the Estates and Property Maintenance audit was currently underway with the field work phase. The Stores audit was due to start in mid-August.

RESOLVED –

That the finalised 2026/27 Internal Audit Plan be noted.

OA13 KPMG 2024-26 AUDIT PLAN

The External Auditor advised Members that the plan in the report was for the March 2026 year end accounts. Materiality was broadly in line with last year at around £1.3M. Accounts had historically been well prepared, with very few misstatements identified, which was worth noting. The first significant risk was management override of controls which was a standard risk on all audits, and the valuation of the firefighters' pension scheme. Whilst the Local Government Pension Scheme (LGPS) would still be audited, their assessment showed that the firefighters' scheme was more sensitive and therefore presented a greater risk of material error. This reflected the scale of the liability, the complexity of the actuarial assumptions involved, and wider issues affecting firefighter pensions.

The External Auditor advised Members that they had rebutted the assumed fraud risk relating to revenue and expenditure and set out their rationale in the audit plan. The value for money assessment had not identified any significant weaknesses. Overall, this was a well-run Authority with strong governance arrangements, although a small number of improvement observations which would continue to be monitored.

The External Auditor advised that looking ahead, after moving from a disclaimed opinion for 2023/24 to a qualified opinion in 2024/25, KPMG were hopeful of achieving an unqualified opinion for 2025/26, subject to the audit progressing as expected. This would be a significant achievement, reflecting the quality of the accounts and the progress made by the Authority. Audit fees were set by the Public Section Audit Appointments (PSAA), with any fee variation to be agreed and reported as part of the final audit plan.

A Member asked about the valuations of the post-retirement benefit obligations of the firefighter pension scheme and how the value was calculated on the assumptions used by the actuaries in valuing the liability.

The External Auditor advised that they take some of the discount rates and some of those mortality rates that sit underneath the pension assumptions, and as part of the risk assessment sensitize it. With the firefighters' scheme, just a small change e.g. in the mortality rate, could lead to quite a large swing in the balance that sits on the balance sheet. There was a third party who calculate it, but it was still the judgement that was involved. KPMG's own actuarial team were involved and would recalculate some it.

The Director of Finance and Assets advised that the calculation was extremely complex and involved lots of assumptions around future mortality and future growth. The firefighters' scheme was a pay as you go scheme, it did not have assets either which makes it more complex because it had to use a notional rate to try and work out what it would achieve if it did have assets. The government's actuary department does evaluations, and KPMG run their alternative model to sense check those assumptions.

RESOLVED –

That the report at Appendix 1 sets out the plan of activity for the Authority's external auditors, KPMG, for their work in relation to the financial year 2025-26.

OA14 2025/26 COMPLIMENTS, CONCERNS AND COMPLAINTS

The Director of Legal and Governance advised that the Compliments, Concerns and Complaints report was brought to the Committee on

an annual basis to assure the communities and service users that the Service treats expressions of dissatisfaction seriously, and that any learnings from the investigations undertaken were fed back into the organisation. Moreover, presenting the report to a Committee of the Authority accords with the guidance produced by the Local Government & Social Care Ombudsman.

Appendix 1 reflected the previous three years of data and Members would note there was a slight decrease in the number of complaints from 20 in 24/25 to 17 in 25/26, although the number of complaints upheld increased from 1 to 4. A synopsis of the upheld complaints was set out in the report. The numbers and types of complaints were reported and monitored monthly through the Service's internal officer boards.

The number of compliments recorded had increased dramatically over the last three years, driven in part by reminding all staff to share the compliments they receive from the communities or partner agencies so that the Service could contribute to a culture of positivity and celebrate them as successes.

Appendix 2 was a letter from the Local Government & Social Care Ombudsman confirming that their office was the final stage of the complaints process for the Service, and that for the period 2025/26 no complaints had been referred to the Ombudsman for investigation.

RESOLVED –

That the report be noted.

OA15 HIS MAJESTY'S INSPECTORATE OF CONSTABULARY AND FIRE AND RESCUE SERVICES (HMICFRS) – BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE (BFRS) 2023-2025 UPDATE

The Head of Service Improvement advised Members that this report provided an update on the Service's HMICFRS journey including an areas for Improvement update and the latest inspection. Following the previous HMICFRS inspection in 2023, the Service was identified with three causes of concern in the areas of Prevention, Protection, and Equality, Diversity, and Inclusion (EDI) alongside a wide range of areas for improvement. Last year HMICFRS confirmed that all causes of concern were resolved and the Service was removed from Enhanced monitoring.

The remaining area for improvement related to being able to demount mobile data terminals used by the crews. Work continued with suppliers and partners to resolve some technical issues before

full implementation. Officers were currently live testing and continued to track progress via internal governance.

The report also updated Members on the most recent HMICFRS inspection activity, which took place during the final quarter of 2025/26. This round of inspection was looking at the progress made since previous inspections. As in previous years, the performance would be measured against HMICFRS's 'characteristics of good performance'. All fieldwork had now been completed, and the inspection report was expected shortly.

RESOLVED –

That the HMICFRS Update be noted.

OA16 TREASURY MANAGEMENT PERFORMANCE 2025/26

The Principal Accountant advised Members that this report provided an overview of the Authority's Treasury Management performance for financial year 2025/26. Overall, the Authority's treasury management activities had remained prudent and effective throughout the year, whilst focusing on the three investment priorities security of investments, liquidity of funds and optimising investment returns.

The Principal Accountant advised there was no counterparty limits breached during the year, nor were there any adverse credit rating events that impacted the Authority's investment portfolio. The Authority maintained a diversified portfolio with investments across banks, building societies, local authorities, Money Market Funds (MMFs) and call accounts. As at 31 March the portfolio stood at approximately £27m.

The focus for liquidity was ensuring there was sufficient funds available throughout the year to meet the Authority's commitments, including future capital expenditure and pension obligations. To achieve this, the £20m fixed term investment deals were spread across a range of maturity dates, whilst £7m in MMF and call accounts continued to provide same-day access to cash when required.

The Treasury performance significantly exceeded expectations during the year with accrued investment returns of £1.324m against a budget of £600k. Having higher balances available due to delays in the capital programme and pension-related obligations, enabling the Authority to benefit by reinvesting these funds on a short-term basis. This additional income has provided a positive contribution to the Authority's overall financial position.

There had been no change in the Authority's borrowing position for 2025/26, with £4.55m PWLB loans still outstanding. The accrued interest costs incurred on the borrowing for the 2025/26 is £214k. The next loan was due to mature in December 2027, and funds had already been set aside to repay this when due.

The Base Rate was reduced three times during 2025/26, from 4.50% to 3.75%. However, since December 2025, rates had remained unchanged due to ongoing inflationary pressures. Market forecasts now suggest rates were likely to remain higher for longer than originally anticipated. The Authority continued to monitor economic developments closely with support from its treasury advisors.

Investment returns consistently exceeded both the Bank of England Base Rate and Sterling Overnight Index Average (SONIA) benchmark rates during 2025/26.

The Chairman asked for more information on the cash flow impact in terms of the capital delays and the pension contribution delays.

The Principal Accountant advised there were capital projects set in the medium term financial plan (MTFP), one being the Westcott training facility, and as Members were aware, there had been delays in the planning permission (which had now been granted). The cash that was available in the money market funds, was ready to pay out for the contracts when they were due.

The other obligation was pensions. The Service had received some up-front payments from the government which related to the McCloud/Sargeant and Matthews remedy which gave the opportunity for members that were retired or existing members to be able to go back into a legacy scheme. The Service had been given the money to repay those individuals when it was due. There was a delay in the process, and the Service had been able to capitalise on that and invest those funds.

RESOLVED –

That the Treasury Management Performance 2025/26 report be noted.

OA17 LOCAL PENSIONS BOARD UPDATE

The Assistant Chief Fire Officer advised Members that the terms of reference for the local pensions board required Members to be updated on an annual basis. As previously mentioned, it was a significant area for consideration in terms of impact on accounts, but also important to existing staff and retired staff that as the scheme manager it was right. It was a requirement for the Authority as scheme manager to have in place a local pensions board to oversee

and scrutinise the management of the scheme. There was a board membership of three employer representatives and three employee representatives.

The Assistant Chief Fire Officer as chair of the board highlighted some key points. Management of the firefighter pension scheme remained extremely complex and demanding, both from a time and resource perspective. West Yorkshire Pension Fund who were the administrators of the scheme and who service approximately 50% of the fire and rescue services in the country, had struggled with capacity to administer some of the requirements around those remedies (McCloud/Sargeant and Matthews), but there had been measures in place in 2026 to bolster their capacity to work through cases.

Based on the complex nature, there was probably a vulnerability in terms of the local pension board expertise, but officers and employee representatives do receive a level of training. The Local Government Association were exploring alternatives to individual fire and rescue services having an individual pension board.

The Assistant Chief Fire Officer advised that although the risk register had some updates, there were no material changes.

The Director of Finance and Assets advised that in the last five years, resources had been increased within the Finance team, not new resources, but reallocating the existing resource. There was a dedicated pensions officer, and also a pensions apprentice. As mentioned, West Yorkshire Pension Fund service approximately 50% of all fire and rescue services, regulations changes had been extremely complex. There was an LGA Oversight Board which received regular reports and meet with West Yorkshire Pension Fund who were buying in some external resource and expertise to try and clear some of the backlog. The number of cases they process each month had increased significantly.

RESOLVED –

That the report be noted.

OA18 FORWARD PLAN

An update was required to add that the accounts would be coming to the October meeting.

RESOLVED –

That the Forward Plan be noted.

OA19 DATE OF NEXT MEETING

To note that the next meeting of the Overview and Audit Committee will be held on Wednesday 14 October 2026.

The Chairman closed the meeting at 11.47 AM

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 14 October 2026

Report title: Corporate Risk Management

Lead Member: Councillor Robin Stuchbury, Health, Safety and Corporate Risk

Report sponsor: Anne-Marie Carter, Head of Service Improvement

Author and contact: Liam Parmar, Risk and Business Continuity Manager

lparmar@bucksfire.gov.uk

Action: Decision

Recommendations: That the status and changes of identified corporate risks at Appendix 1 be reviewed and approved.

Executive summary:

This report provides an update on the current status of identified corporate risks. Risk registers are maintained at project, departmental and directorate levels. Corporate risks are those that have been escalated from these levels for scrutiny by the Strategic Leadership Board (SLB) because of their magnitude, proximity or because the treatments and controls require significant development.

Officers draw on a range of sources to assist with the identification and evaluation of corporate risks. For example, membership of the Thames Valley Local Resilience Forum (TVLRF) facilitates active monitoring of a range of risks with the potential for impacts on local communities and services.

The Corporate Risk Register was last reviewed by the Strategic Leadership Board at its 22 September 2026 meeting and, prior to that, at the Delivery Groups' meetings, where Directorate Risk Registers (DRR) were reviewed. No risks were recommended for escalation from the DRR to the CRMP Performance Board for inclusion in the Corporate Risk Register.

The Corporate Risk Register is supported by three Delivery Group Risk Registers for People, Finance & Assets and Service. Collectively they hold 55 risks, not including the ones on the Corporate Risk Register. These do not include health and safety risks or project risks, which have their own governance arrangements.

The Corporate Risk Register currently contains ten strategic risks which reflect the most significant threats and uncertainties facing Buckinghamshire Fire & Rescue Service. The overall risk profile remains largely stable, with the majority of risks showing no change in score or direction of travel since the previous reporting period.

It was agreed in the July 2026 Overview and Audit Committee that the score of the Financial Stability risk be increased from (Probability x Impact) 4 x 3 to 4 x 4. The Corporate Risk Register for this Overview and Audit Committee shows this change.

Financial Stability remains the Authority's most significant corporate risk, reflecting ongoing uncertainty around future pay awards, inflationary pressures, funding levels and broader economic conditions.

A watching brief continues to be maintained in respect of both devolution and local government reorganisation. This reflects the potential implications for the Authority and its collaborative arrangements, including Thames Valley Fire Control Service, should future structural changes affect existing or neighbouring local authority boundaries. Officers will continue to monitor developments and assess any implications for the corporate risk profile. It is also noted that the local government reorganisation bids have been postponed pending further review, reducing immediate certainty over the programme timetable while the longer-term position remains under consideration.

It is proposed that the corporate risk currently titled McCloud/Sargeant be renamed Pension Remedy. This wording is broader and more future-proof than the risk register title below, as the risk is no longer limited to the original McCloud/Sargeant judgement and now reflects wider pension remedy, administration, compliance, financial and workforce impacts, including related exercises such as Matthews. The risk register retains reference to McCloud/Sargeant to preserve continuity with the established risk entry while the proposed revised title is considered.

The current distribution of corporate risks relative to probability and potential impact is shown at Appendix 1 alongside detailed assessments of identified corporate risks in the Corporate Risk Register.

Financial implications:

No direct financial implications arising from the presentation of this report. It is envisaged that the further development of the Authority's corporate risk management framework will be undertaken from within agreed budgets.

The risk associated with financial stability is as detailed in the report and risk register.

Risk management:

The development, implementation and operation of effective corporate risk management structures, processes and procedures are considered critical to assure

continuity of service to the public, compliance with relevant statutory and regulatory requirements and the successful delivery of the Authority's strategic aims, priorities and plans.

Legal implications:

None directly arising from this report. Any legal consequences associated with the crystallisation of individual risks are detailed in the Risk Register report at Appendix 3. Within the role description of a Lead Member is a requirement 'to attend the Overview and Audit Committee, at its request, in connection with any issues associated with the portfolio which is the subject of scrutiny'.

Privacy and security implications:

None directly arising from the presentation of this report. However, potential risks to privacy and security together with mitigating actions are captured within applicable risk evaluations

Duty to collaborate:

The potential to share corporate risk intelligence with neighbouring fire and rescue services and other relevant agencies will be considered. Buckinghamshire and Milton Keynes Fire Authority already participates in the multi-agency Thames Valley Local Resilience Forum which produces a Community Risk Register which is among the sources used to identify potential risks to the Authority.

Health and safety implications:

Development of the framework does not impact directly on the legal compliance to health and safety, however if risks are not appropriately identified or evaluated then this may present Health and Safety risks.

Environmental implications:

None directly arising from the presentation of this report. However, potential environmental implications together with mitigating actions are captured within applicable risk evaluations.

Equality, diversity, and inclusion implications:

No direct implications from the presentation of this report. However, risks to achieving the Authority's equality, diversity and inclusion objectives or compliance with relevant statutes or regulations are identified assessed and managed via this process and are currently monitored within the HR Risk Register. Equality Impact Assessments are undertaken on strategies, change, procedures and projects.

Consultation and communication:

Senior managers and principal officers are key stakeholders in the development of the corporate risk management framework and have an active role in this at every stage as well as in ongoing identification, evaluation and monitoring of corporate

risks. The Lead Member for Health, Safety and Corporate Risk is also be involved in the development of the framework with particular responsibility for determining the reporting arrangements for the Authority.

Background papers:

Authority Members were last updated on the status of the Authority's Corporate Risks at the Overview and Audit Committee on 22 July 2026: [\(Public Pack\)Agenda Document for BMKFA Overview & Audit Committee, 22/07/2026 10:00](#)

Appendix	Title	Protective Marking
1	Corporate Risk Map	

Corporate Risk Register

September 2026

		Impact				
		1 Low	2 Minor	3 Moderate	4 High	5 Major
Probability	5 Almost Certain					
	4 Likely			MAJOR INCIDENT READINESS (↔) McCLOUD/SARGEANT – PENSION REMEDY (↔)	FINANCIAL STABILITY (↑)	
	3 Possible			LOCAL GOVERNMENT REORGANISATION (↔) SUSTAINABILITY (↔)	MISCONDUCT (↔) INFORMATION MANAGEMENT (↔) WORKFORCE AVAI/STAB (↔) INDUSTRIAL ACTION (↔)	
	2 Unlikely					
	1 Rare					DEVOLUTION (↔)

Risk No	CR1.0	Risk	Workforce Availability / Stability					
Lead Member	Lead Member for Service Delivery, Protection & Collaboration		Strategic Owner	Deputy Chief Fire Officer		Delivery Group:	People Delivery	
Risk Description Inc impact	- Staff inability or reduced ability to work due to disruption caused by factors such as Pandemic Flu, fuel supply issues, industrial action etc. - Impact of employment market conditions on attraction of new staff, retention of existing staff, and overall workforce stability (specifically the ratio of experienced / competent staff to inexperienced staff / staff in development. - Simultaneous loss of Principal Officers / Strategic Leadership Team members. This is a composite risk more detailed evaluations of individual risk components are contained in Directorate Risk Registers.							
Risk Scores Pxl	Untreated	4 x 4 = 12	Current	3 x 4 = 12	Target	3 x 2 = 6	Direction	No Change
Risk Mitigation in place	- Business continuity plans in place & uploaded to Resilience Direct. - Succession Plans in place for key leadership and management personnel. - Contingency arrangements in place to mitigate risks to Principal Officer operational rota capacity. - Peer review of the business continuity arrangements - Workforce Planning updates are presented monthly at PDG to ensure visibility of vacancies, projected retirements, skills gaps and succession needs.							
Mitigating Actions								
Action			Owner	Deadline	Status	Update		
Implement enhanced Workforce Planning forecasting and monthly reporting			People Directorate	Ongoing (reported	In progress	Workforce Planning information continues to be reviewed and reported through People Delivery Group, providing oversight of		

		monthly at PDG)		vacancies, recruitment activity, projected retirements, skills gaps and succession requirements. Further work is ongoing to strengthen forecasting and ensure workforce information continues to inform organisational risk management.
Deliver the 12-month recruitment plan to maintain operational and support function resilience	People Directorate	April 2026 – March 2027	In progress	The latest Wholetime recruitment campaign has concluded successfully, attracting 540 applications. Workforce, resource and establishment planning identified a need to appoint six firefighters from the campaign. We therefore appointed three transferees and three Wholetime Firefighter Apprentices, combining operational experience with the effective use of our apprenticeship levy. All those who applied have been written to, to see if they would be interested in joining our On-Call workforce, subject to meeting resourcing requirements. The On-call recruitment campaign is underway and recruitment activity will continue in line with the 2026/27 plan and identified workforce requirements.

Latest update	There has been no material change to the overall level or direction of the risk during this reporting period. Workforce Planning information continues to be reviewed through People Delivery Group, providing ongoing oversight of vacancies, projected retirements, recruitment activity, skills gaps and succession requirements. The latest Wholetime recruitment campaign has concluded, resulting in the appointment of three transferees and three Wholetime Firefighter Apprentices. The On-call recruitment campaign is currently underway, with further recruitment activity continuing in line with the 2026/27 recruitment plan and identified workforce needs. The revised support staff pay scales have been agreed and implemented. This action is now complete and is recommended for closure and removal from the corporate risk register, with any ongoing impact monitored through established workforce reporting arrangements.
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Risk No	CR2.0	Risk	Industrial Action						
Lead Member	Lead Member for Service Delivery, Protection & Collaboration		Strategic Owner	Deputy Chief Fire Officer		Delivery Group:	Service Delivery		
Risk Description Inc impact	Disruption to key Service functions due to industrial action (including third party industrial action) potentially leading to reduced staff availability and / or diversion of resources to help partner services maintain continuity of service. Impact: • Detrimental effects on service delivery to the community and the Service’s reputation. • Increased risk to the public (including life and property), economy and the environment due to inadequate or insufficient response to emergency incidents. • Failure to discharge statutory target duties. • Disruption to service delivery and support functions due to loss of capacity. • Delay to implementation of Service plans and projects due to loss of capacity								
Risk Scores Pxl	Untreated	3 x 5 = 15	Current	3 x 4 = 12	Target	3 x 3 = 9	Direction	No Change	
Risk Mitigation in place	• Business continuity plans in place & uploaded to Resilience Direct. • Regular communication with staff, rep bodies and, where appropriate, third party organisations. • Thames Valley Resilience contracts now in place for Fire Control and operational response, in the event of Industrial Action. Further planning work required in respect of detailed deployment preparedness. Further work required to understand and plan for deployments and then manage these events. • Use of staff not engaging in industrial action								
Mitigating Actions									
Action			Owner	Deadline	Status	Update			
Strengthening preparedness to initiate contract requirements and assure processes within Service and TV wide.			Risk and Business Continuity Manager	N/A	In progress	Quarterly meetings established with supplier, with a 6 monthly KPI review. Agreed action and decision log set up to capture detail.			

Latest update	A business case has been approved to provide a temporary resource into the technical team, to strengthen service IA preparations up until 31 March 2027. This individual will review all policy, procedural and guidance documentation that supports the concept of operations.
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Risk No	CR3.0	Risk	Financial Stability					
Lead Member	Lead Member for Finance and Assets, Information Security & IT		Strategic Owner	IT & Director Finance & Assets		Delivery Group:	Finance & Assets	
Risk Description Inc impact	The Medium-Term Financial Plan (MTFP) factors in several assumptions when forecasting the financial position. Future costs are significantly affected by the level of pay awards (which for most staff are determined nationally), general price inflation and changes to employer pension contributions. Future funding levels are affected by council tax referendum limits, growth in council tax and business rate bases, the level of general government funding and specific grants. If a number of these areas are significantly worse than forecast there is a risk the Authority will not meet its commitment to the – CRMP 2025-2030 and that a fundamental re-think of service provision would be required.							
Risk Scores Pxl	Untreated	5 x 4 = 20	Current	4 x 4 = 16	Target	4 x 3 = 12	Direction	Up
Risk Mitigation in place	Proactive management of the MTFP is in force and is very closely aligned to workforce planning. As part of the budget setting process, Officers will seek to identify savings opportunities to address potential future cost pressures. A risk-assessed General Fund reserve of £2m (circa five per cent of the net budget requirement) is held to cover a range of potential financial risks. In addition, earmarked reserves are held to fund specific anticipated future costs.							
Mitigating Actions								
Action		Owner		Deadline	Status	Update		
Situation to be kept under review with pay and inflation assumptions to be factored into the proposed budget and medium-term financial plan for 2027-28 onwards.		Director of Finance and Assets		17 February 2027	In progress	Situation under review.		

Latest update

The Green Book pay award for 2026 was settled at 3.3%. Although this does not directly impact the Service, it is a useful indicator. CPI for July 2026 was 2.9%. However, in when making its latest interest rate decision, the Bank of England noted that they still expect inflation to rise later this year.

Risk No	CR4.0	Risk	Information Management					
Lead Member	Lead Member for Finance and Assets, Information Security & IT		Strategic Owner	Director Legal & Governance		Delivery Group:	N/A	
Risk Description Inc impact	Information Management* / Security failure to - a) comply with statutory or regulatory requirements b) manage technology c) manage organisational resources Deliberate: unauthorised access and theft or encryption of data. Accidental: loss, damage or destruction of data							
Risk Scores Pxl	Untreated	5 x 5 = 25	Current	3 x 4 = 12	Target	3 x 3 = 9	Direction	No Change
Risk Mitigation in place	1. Appropriate roles: SIRO has overall responsibility for the management of risk. Data Protection Officer statutory role to advise on UK GDPR. Information and information systems assigned to relevant Information Asset Owners (IAOs) 'Stewards' assigned by IAO's with day-to-day responsibility for relevant information. 2. Virus detection/avoidance: Anti-Malware report – no significant adverse trends identified which indicates that improved security measures such as new email and web filters are being successful in intercepting infected emails and links. 3. Policies / procedure: Comprehensive review and amendment of the retention and disposal schedules / Information Asset Registers, - employee training/education - tested data/systems protection clauses in contracts and data-sharing agreements - Integrated Impact Assessments (IIA) - disincentives to unauthorised access e.g. disciplinary action 4. Premises security: - Preventative maintenance schedule - Frequent audits at Stations and inventory aligned to asset management system.							

	5. Training: The annual “Responsible for Information” training supplemented by the National Cyber Security Centre’s e-learning package 'Top Tips for Staff' which has been built into the Heat training platform as a mandatory annual package.			
	Mitigating Actions			
	Action	Owner	Deadline	Status
	Review and refresh of UK GDPR/data minimisation procedures	Director Legal & Governance	Dec 2026	In progress
	Update Revised ICT and Artificial Intelligence acceptable use procedure approved			
	Latest update Revised and updated data breach management procedure. Approved at CRMP Board 18 August 2026.			
	Since the introduction. in November/December 2025. of the monthly cyber awareness training packages which are sent to each user on the first Friday of each month, as at August 2026:			
	Courses Sent: 4583			
	Courses Completed: 3490			
	Courses completion rate: 76.15%			
	This coincides with a reduction of Phishing susceptibility over the same period across the service.			

Risk No	CR5.0	Risk	McCloud/Sargeant change to Pension Remedy						
Lead Member	Lead Member for Finance and Assets, Information Security & IT			Strategic Owner	Information Security & IT & Director Finance		Delivery Group:	Finance & Assets	
Risk Description Inc impact	Court of Appeal ruling on the McCloud / Sargeant cases: potential impact on staff retirement profile, resourcing to implement required changes and financial impacts thereof. • Failure to discharge statutory duties. • Failure to comply with legal requirements. • Unknown / unquantified budgetary impacts.								
Risk Scores Pxl	Untreated	4 x 4 = 16	Current	4 x 3 = 12	Target	4 x 2 = 8	Direction	No Change	
Risk Mitigation in place	• Potential impacts on costs are factored into future Medium-Term Financial Planning process. • Recruitment of dedicated specialist resource to evaluate requirements arising from the Court of Appeal ruling and implement necessary administrative changes. • Individuals can request up to two estimates per annum which will provide them with a more accurate pension benefit.								
Mitigating Actions									
Action			Owner	Deadline	Status	Update			
Process all Matthews cases and ensure every individual has their calculation by this date.			Head of Finance	31 st March 2027	In Progress	There is currently a backlog of remedy cases that are being worked through as per the latest update below.			
Latest update	We continue to work closely with our pension administrators to ensure pension cases are processed as efficiently as possible. Pension statements and retirement benefits for active firefighters are currently being provided in a timely manner.								

However, West Yorkshire Pension Fund (pension administrators) continues to manage a backlog of cases relating to the Matthews Second Options Exercise. As a result, a significant number of individuals who have submitted claims are still awaiting the calculation and processing of their pension benefits.

To address this, West Yorkshire Pension Fund has increased its resources dedicated to the exercise and, since the beginning of the financial year, there has been a noticeable increase in the number of cases reaching completion and benefits being paid. In addition, a weekly oversight board involving the Local Government Association and West Yorkshire Pension Fund is in place to monitor progress, provide challenge, and support the acceleration of outstanding case processing. The position continues to be closely monitored.

The service believes it prudent to change the name for CR5.0 from “McCloud/Sargeant” to “Pension Remedy” to better reflect the current and broader nature of the exposure. The risk is no longer limited to the original McCloud/Sargeant judgement and now includes wider pension remedy, administration, compliance, financial and workforce impacts, including the Matthews Second Options Exercise. The revised title is clearer, more future-proof and better aligned to the risk description and current update.

Risk No	CR10.0	Risk	Major Incident Readiness					
Lead Member	Lead Member for Service Delivery, Protection & Collaboration		Strategic Owner	Deputy Chief Fire Officer	Delivery Group:	Service Delivery		
Risk Description Inc impact	The organisation needs to be able to effectively prepare for, respond to, and recover from major incidents of varying scale, complexity, and type. These incidents may include (but are not limited to) extreme weather events, large-scale fires, flooding, terrorism, and other civil emergencies. It is important to note the distinction that this risk does not include our response to normal day to day incidents, which the service is well versed in handling. This only pertains to incidents that require more than what we consider as normal. This could lead to: • Failure to adequately protect life, property, and the environment • Ineffective or delayed operational response to complex or multi-agency incidents • Reduced organisational resilience and recovery capability • Health implications for staff • Reputational damage and loss of public confidence							
Risk Scores Pxl	Untreated	4 x 4 = 16	Current	4 x 3 = 12	Target	3 x 3 = 9	Direction	No Change
Risk Mitigation in place	• Provision of National Operational Guidance programme which adapts to changing environment. Adoption of guidance as best practice across Thames Valley. Strategic gap analysis underway to identify and close gaps relative to national best practice. • Provision of equipment and training to deal with wildfire, water rescue and flooding, and extreme weather events. Adverse weather procedure in place and business continuity plans for all sites. Research and development officer continues to identify new equipment and practice to mitigate emerging risks (e.g. new equipment to reduce risk involving fires with photovoltaics) • Access to and provision of specialist tactical advisors through national resilience framework. • Urban Search and Rescue team in-service equipped to deal with major building/infrastructure collapse. • Specialist boat rescue capability situated in north and south of county. Both included on national asset register. All staff trained appropriately in working in flood water.							

- Site-specific risk assessments and risk information for high-risk sites – being expanded to include broader risks such as wildfire, water rescue and flooding and transport. Access to wildfire severity index and flood forecasting data to assist planning.
- Targeted national and local prevention messaging to mitigate risks at key points in the calendar (e.g. water safety summer/winter – Barbecues spring/summer – Chimneys – Autumn).
- Engaged in local resilience groups for information sharing and multi-agency collaboration for major incident response.
- Isotonic supplements and cool boxes added to appliance inventories.
- Wildfire response capability developed.
- Twice weekly command team briefings to stay reactive to upcoming events / risks including weather. This tailors response to suit the needs of the incident at that time.
- Emergency Preparedness response and recovery procedure and major incident policy.
- Ongoing collaboration in the Thames Valley Local Resilience Forum.

Mitigating Actions

Action	Owner	Deadline	Status	Update
Train all Water Incident Managers in the Wildfire Support Officer role, as these are two closely linked specialisms.	Service Water Rescue Lead	March 2027	In Progress	TNA submitted for additional courses in 2026/27.
Complete a full review of the Water Rescue capability within service.	Service Water Rescue Lead	March 2027	In Progress	Currently underway.
OCIP - building resilience for fire engine and specialist vehicle availability.	ACFO	Aligned with CRMP	In Progress	Work continues on this programme, the latest update can be found here (Public Pack)Agenda Document for BMKFA Executive Committee, 15/07/2026 10:00 under item 10.

Introduction of dedicated welfare unit.	AC R&R	November 2026	In Progress	In service. Arrangements underway for it to be operationally available.
Summer 2026 debrief.	AC R&R	October 2026	In Progress	Terms of reference agreed. OLA coordinating debrief planning.
Latest update	Water Rescue review is still on target. The Welfare Unit has now been delivered into service and workshops, the technical department will carry out necessary requirements, processes procedures, guidance and training to ensure its available to be handed over to Operational Response. It is anticipated to be available from the end of October 2026. The operational learning and assurance team will be coordinating a service level debrief to identify how successfully the service were prepared for and responded to the prolonged summer heatwave. A report will be brought to Fire Authority Executive Committee in November 2026. The service are currently considering appropriate actions to mitigate 2 AFIs identified by HMICFRS in respect of major incident preparedness.			

Risk No	CR11.0	Risk	Sustainability					
Lead Member	Lead Member for Finance and Assets, Information Security & IT		Strategic Owner	Director Finance & Assets		Delivery Group:	Finance & Assets, Service Delivery	
Risk Description Inc impact	There is a risk that Buckinghamshire Fire & Rescue Service is unable to meet its sustainability and carbon reduction commitments due to limitations in funding, infrastructure, supply chain constraints, or insufficient integration of sustainability into decision-making and operations. Increased carbon emissions and negative environmental impact. Furthermore, there are risks arising from climate change that impact on our fleet and estates, such as the need to introduce enhanced cooling measures in vehicles and premises to ensure staff welfare during periods of prolonged high temperatures. • Non-compliance with regulatory and government sustainability targets • Higher operating costs due to energy inefficiency and rising fuel prices • Reduced public and stakeholder confidence • Impacts on staff welfare							
Risk Scores Pxl	Untreated	3 x 4 = 12	Current	3 x 3 = 9	Target	3 x 2 = 6	Direction	No Change
Risk Mitigation in place	• Electricity contract is for zero carbon energy, 100% renewable, sourced solely from solar, wind and hydro power • Solar panels installed on key sites • Smart meters on all premises • Electric vehicles included within our light fleet • Introduction of air conditioning in new appliances and retrofitting to some premises							
Mitigating Actions								
Action			Owner	Deadline	Status	Update		
External review of energy efficiency of our estate to coincide with 5 yearly condition surveys.			Director of Finance and Assets	December 2026	In Progress	At procurement stage.		

Latest update

Procurement of surveys are underway. This will lead to a proposed action plan which will come back to Members.

Risk No	CR7.0	Risk	Misconduct/behaviours at odds with Service Values					
Lead Member	Lead Member for Service Delivery, Protection & Collaboration		Strategic Owner	Chief Fire Officer		Delivery Group:	People	
Risk Description Inc impact	Risk of misconduct / behaviours at odds with Service Values on the part of individuals or groups in the employ of, or associated with, the Service and / or the Fire Authority, leading to: • Harm to members of the public and / or Service personnel. • Potential exposure to litigation and financial loss • Reputational damage resulting in negative publicity locally / nationally leading to public loss of confidence in the Authority / Service. • Staff / member loss of confidence in Authority and / or Service leadership / management.							
Risk Scores Pxl	Untreated	4 x 4 = 16	Current	4 x 3 = 12	Target	3 x 3 = 9	Direction	No Change
Risk Mitigation in place	• Promise, Values and Behaviours in place. • Procedures reflect best practice – discipline, grievance, anti bullying and harassment, code of conduct, whistleblowing • All employees DBS checked • Support in place for staff – Safecall, Welfare Officer and Occupational Health and the allocation of a point of contact who is not part of the investigation. • Procedure for the public to raise concerns / complaints and reported on annually to the Members. • Annual staff survey. • KPI reporting of key people related measures to People Delivery Group. • Equality Impact Assessment procedure and template in place. Ongoing Training in place. Key focus when reports presented to governance meetings. • Ongoing engagement with the representative bodies • Analysis of feedback from staff leaver exit interviews. • Analysis of grievance / complaint procedure findings to identify recurring issues that could indicate systemic origins.							

- Assessment against our Behavioural and Leadership Framework has been incorporated into the appraisal documentation. Discussing these expectations during appraisals is important because it provides a regular opportunity to re-affirm the behaviours and leadership standards required, recognise good practice, address any concerns at an early stage and ensure individual objectives remain aligned with our Service values.

Mitigating Actions

Action	Owner	Deadline	Status	Update
Complete and implement the revised People procedures (Capsticks) with service-wide consultation	Director of People	December 2026	In progress	A procedural improvement plan is now in place to manage the review and implementation of the revised People procedures. A number of procedures are progressing through the agreed governance route following staff and trade union consultation, including consideration through JCF and People Delivery Group. The programme will provide clearer and more consistent procedures for managing conduct, grievances, dignity at work, whistleblowing and other related employment matters. As part of this work, the Disciplinary and Grievance Procedures are also being reviewed against the proposed changes to the ACAS Code.
Roll-out the Thrive Leadership Programme modules focused on	Director of People	Q3 2026-2027	In progress	The next Thrive Leadership Programme cohorts have commenced, with delivery scheduled to continue through to March

performance conversations and early intervention				2027. The programme remains focused on supervisory managers, aspiring supervisory managers and those in more senior leadership roles, supporting values-led leadership, effective performance conversations and early intervention. Work is also beginning to consider how the programme should be developed and sustained beyond March 2027.
Introduce iTrent Case Management for conduct and grievance: end-to-end tracking and insight	Head of People Services	Q3 2026-2027	In testing	The grievance and disciplinary iTrent modules are live, while attendance management remains in development. Team training is planned for November 2026, and the People Directorate restructure will support stronger oversight of disciplinary and grievance matters.
Latest update	There has been no material change to the overall score or direction of the risk during this reporting period. Work continues across the People Directorate to strengthen the arrangements that support appropriate conduct and values-led behaviours. Revised People procedures are moving through consultation and governance, supported by the Capsticks procedural improvement plan. This includes reviewing the Disciplinary and Grievance Procedures against the proposed changes to the ACAS Code. Further Thrive Leadership Programme cohorts have now commenced, with delivery continuing through to March 2027. The programme is supporting aspiring and existing managers to develop their confidence in leadership, performance conversations and early intervention. Work will also consider the longer-term approach beyond March 2027.			

Development of iTrent Case Management continues to progress. The grievance and disciplinary modules are now live, while the attendance management module remains in development. The next phase will focus on training the team to use the system effectively, with delivery planned for November 2026. In parallel, the People Directorate restructure provides an opportunity to review and strengthen the wider management and oversight of disciplinary and grievance matters across the Service.

Risk No	CR8.0	Risk	Devolution					
Lead Member	Lead Member for Service Delivery, Protection & Collaboration		Strategic Owner	Chief Fire Officer		Delivery Group:	N/A	
Risk Description Inc impact	English Devolution White Paper, December 2024 The Authority as a key stakeholder in the potential range of future scenarios for realignment is not fully considered or understood by decision making bodies, potentially jeopardising the financial stability and safe operations of the current service. Anticipated benefits from long term resource investments in Thames Valley Collaboration initiatives over the last 10 years, aligned to current PCC boundaries, are not realised							
Risk Scores Pxl	Untreated	3 x 5 = 15	Current	1 x 5 = 5	Target	1 x 1 = 1	Direction	No Change
Risk Mitigation in place	Engagement with MPs and councillors							
Mitigating Actions								
Action			Owner	Deadline	Status	Update		
Latest update	In respect of Milton Keynes City Council, a watching brief is maintained.							

Risk No	CR9.0	Risk	Local Government Reorganisation						
Lead Member	Lead Member for Service Delivery, Protection & Collaboration		Strategic Owner	Chief Fire Officer		Delivery Group:	N/A		
Risk Description Inc impact	Three competing final bids have been submitted to MHCLG. Options 2 and 3 will impact on Oxon FRA and Royal Berkshire FRA and TVFCS and the Inter Authority Agreement which underpins TVFCS: 1. A single unitary council covering the current county council boundary. 2. Two unitaries . One includes all of the current districts of Vale of White Horse, South Oxfordshire and West Berkshire ('Ridgeway'). The second unitary consists of all of the current districts of West Oxfordshire and Cherwell, along with Oxford City. 3. Three unitaries . One covering Oxford City, but with expanded boundaries from the current city council. A second includes most of the current districts of Vale of White Horse, South Oxfordshire and West Berkshire ('Ridgeway'). A third council would include most of the current districts of West Oxfordshire and Cherwell.								
Risk Scores Pxl	Untreated	3x3=9	Current	3x3 =9	Target	3x2=6	Direction	No Change	
Risk Mitigation in place	Engagement with MPs and councillors. Engagement with Fire Director MHCLG								
Mitigating Actions									
Action			Owner	Deadline	Status	Update			
Ensure Oxon LGR (options 2 and 3) are included in the TVFCS command and control refresh risk register and the			Head of Response and Resilience	Oct 2026	In progress	This will be agreed on the part of Buckinghamshire and Milton Keynes Fire Authority on 7 th October 2026.			

renewal of the Inter Authority Agreement (IAA).				
Latest update	The three unitary authority option, which includes the creation of a new Ridgeway Council, was confirmed by government on 16 July 2026. However, on 7 September 2026, MHCLG announced that the local government reorganisation programme would be reviewed, with plans for Oxfordshire and West Berkshire paused pending that review. Local government reorganisation: Policy and programme updates - GOV.UK			

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 14 October 2026

Report title: Internal Audit Progress Report

Lead Member: Councillor Stuart Wilson

Report sponsor: Mark Hemming – Director of Finance and Assets

Author and contact: Russell Heppleston – Chief Auditor

Russell.Heppleston@buckinghamshire.gov.uk, 01296 383176

Action: Noting

Recommendations:

1. That Members note the progress on the delivery of the 26/27 Internal Audit Plan
2. That Members note the implementation progress of management actions to address audit findings.

Executive summary: This report provides Members of the Committee with an integrated update on Internal Audit activity, progress against delivery of the approved 2026/27 Internal Audit Plan and the implementation of management actions arising from audit work. The report also provides a brief update on developments within the Business Assurance function.

This is the first combined assurance update presented to the Committee. Previously, audit reports, audit plan monitoring and management action updates were reported separately. Bringing these elements together provides a more rounded view of assurance activity, audit outcomes and organisational improvement activity, supporting more effective Member oversight and reducing duplication in reporting.

During the period, the new Business Assurance structure was implemented following completion of the Service Review. Recruitment activity is underway to strengthen capacity and capability across the function, whilst plans are being developed for a Business Assurance Strategy that will promote a more integrated and intelligence-led approach to assurance.

Appendix A includes a summary of audit activity and sets out our progress delivering the agreed 2025/26 Internal Audit Plan. The Appendix also sets out progress of the implementation of management actions to address audit findings.

Any progress made between now and the time of reporting, will be verbally presented to the Overview and Audit Committee at the meeting on 14 October 2026.

In total (between **April 2024 and September 2026**) 35 audit findings have been raised.

The current status is as follows:

- Implemented and closed – 28/35 (80%)
- In-progress - 7/35 (20%)

We are currently monitoring the implementation of management actions relating to **seven audit findings**, of which **one action is overdue**.

We continue to actively monitor the implementation of all agreed management actions throughout the year and have received positive engagement from action owners. A detailed report on overdue actions is presented quarterly to the Senior Management Board in advance of reporting to the Overview and Audit Committee.

Financial implications: The audit work is contained within the 2025/26 financial year.

Risk management: There are no risk implications arising from this report.

Legal implications: There are no legal implications arising from this report.

Privacy and security implications: There are no privacy and security implications arising from this report.

Duty to collaborate: Not applicable.

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

Environmental implications: There are no environmental implications arising from this report.

Equality, diversity, and inclusion implications: There are no equality and diversity implications arising from this report.

Consultation and communication: Not applicable.

Background papers:

Appendix	Title	Protective Marking
A	Internal Audit progress update (including progress against the Internal Audit Plan and implementation of management actions)	N/A



2026/27 BMKFA Internal Audit progress update

Including progress against the Internal Audit Plan and implementation of management actions

September 2026

Business Assurance: service update

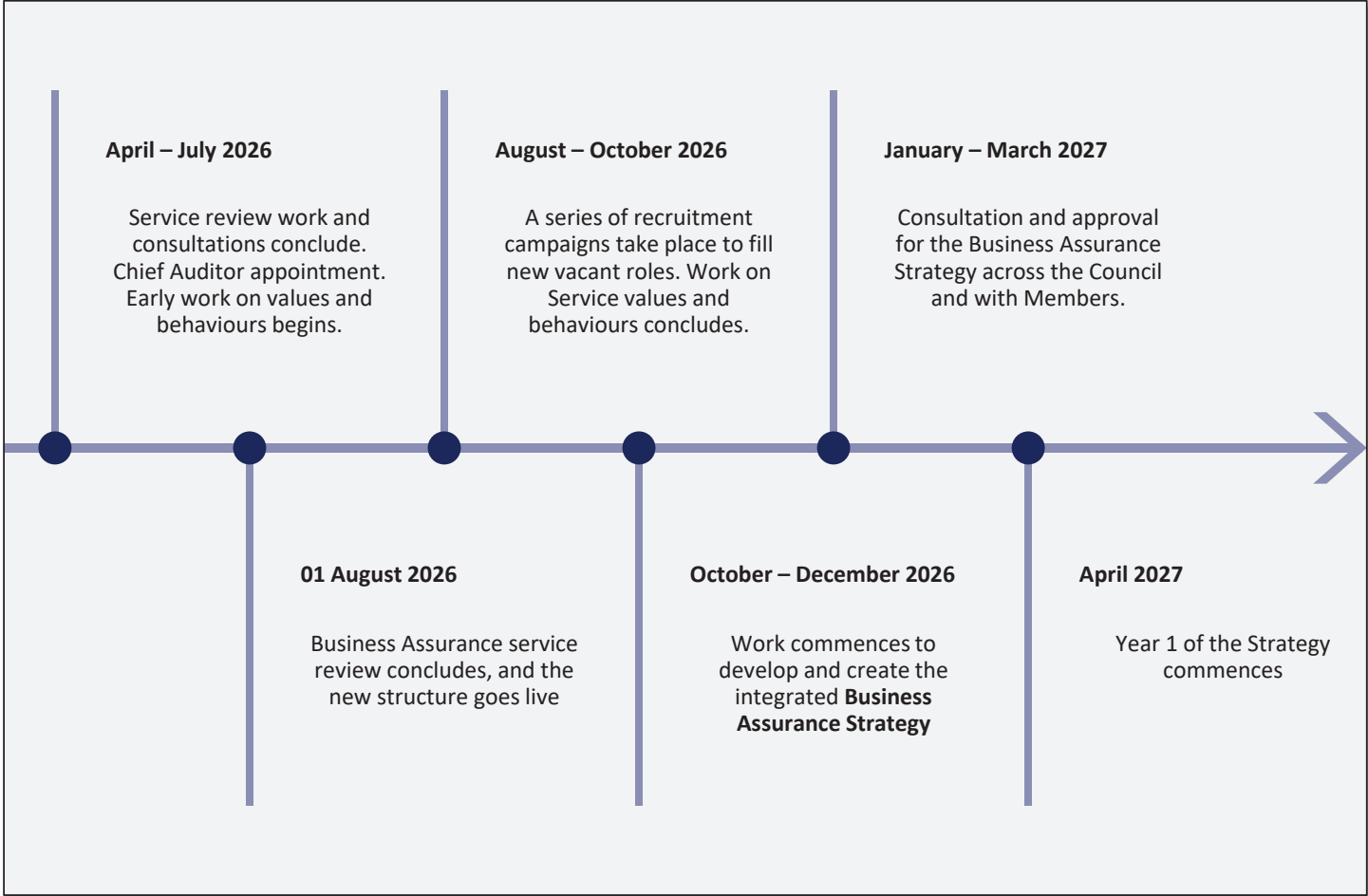
The period has been one of significant change for the Business Assurance function. Following completion of the Service Review, the new Business Assurance structure formally went live on 1 August 2026.

Since implementation, the focus has been on embedding the new structure, recruiting to key roles and developing closer working relationships across the function. Whilst still in the early stages of this transition, the new model is already supporting increased collaboration, improved sharing of insight and a more joined-up approach to assurance across the Council.

The next phase of development will focus on the creation of a **Business Assurance Strategy**. This will set out the vision, priorities and roadmap for the service, with the aim of creating a more integrated, intelligence-led and forward-looking approach to assurance.

The key stages and milestones in developing the strategy are set out on the slide.

Progress will be reported to the Committee throughout the year.



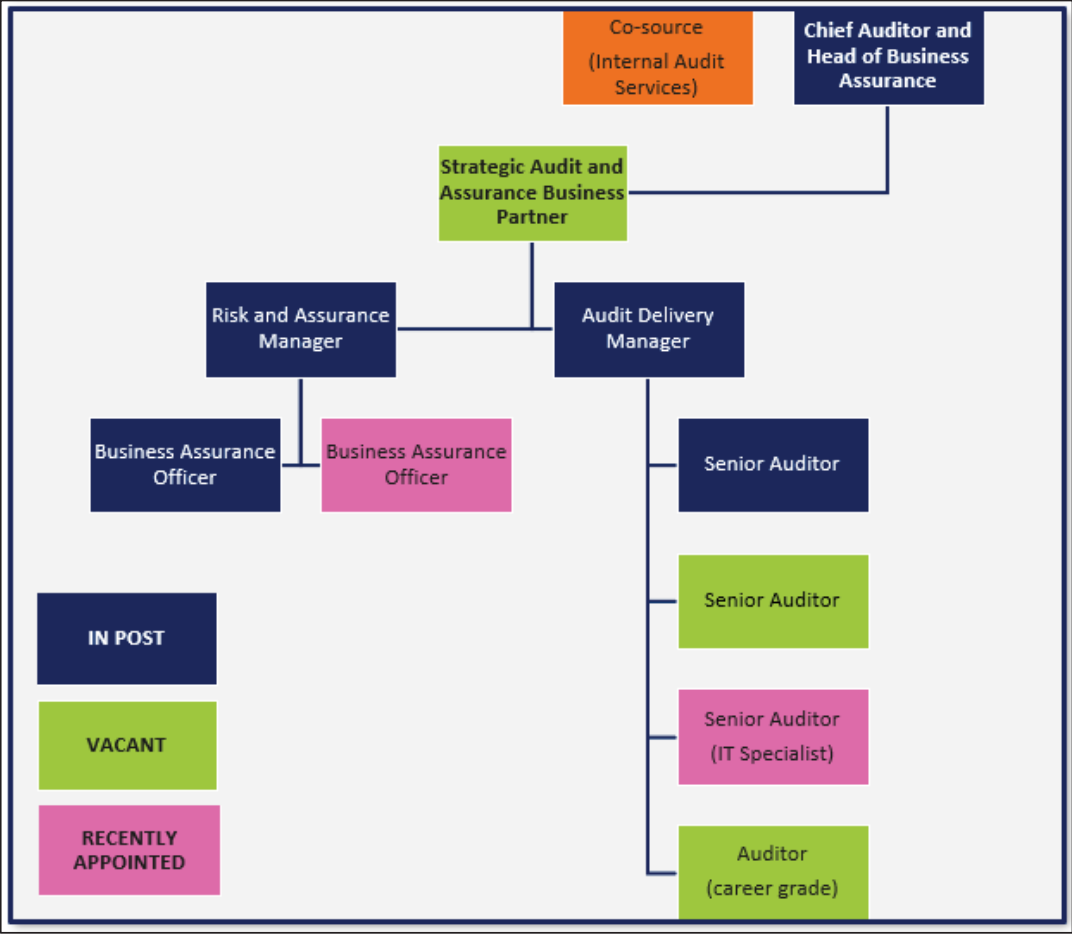
Business Assurance: resourcing

Following implementation of the new structure, recruitment activity has commenced to fill a number of vacant roles, including Internal Auditor, Senior Auditor and Strategic Audit and Assurance Business Partner roles. In addition, we appointed a Trainee IT Auditor and a Business Assurance Officer through internal recruitment. This represents an important investment in the development of internal specialist assurance skills and capability.

While carrying vacancies has had some impact on delivery capacity during the period, we have maintained planned momentum on the Fire Authority Audit Plan.

The structure chart in the slide provides an overview of the audit and assurance structure, including vacancies and recent appointments.

Recruitment remains a priority and successful appointments will strengthen resilience, increase capacity and support delivery of future assurance priorities.



Internal Audit Plan 2026/27

Internal Audit Activity	Number of Days	Proposed Timing	Status Update
Strategic Objective: Responding Quickly and Effectively to Emergencies – Response and Resilience Strategy			
Capital Programme Assurance To assess whether programme objectives are achieved, including capital projects being delivered to schedule and budget. This will include the Westcott Training Centre and High Wycombe Fire Station capital projects.	10	Q3	Scoping in progress
Strategic Enabler: Making the Most of Our Finances and Assets – Finance and Assets Strategy			
Stores To evaluate the controls for the purchasing, custody and issuing of stock.	10	Q1	Fieldwork in progress
Strategic Enabler: Optimising Our Technology and Data – Digital and Data Strategy			
ICT Framework To ensure that the framework meets the needs of the Fire Authority supporting in the achievement of corporate objectives and delivering high performing, customer focussed knowledge and information	10	Q3	Scoping in progress
Strategic Enabler: Making the Most of Our Finances and Assets – Finance and Assets Strategy			
Estates and Property Maintenance To ensure that the management of the estate is effective and efficient and supports in the achievement of the corporate objectives.	10	Q2	Final Report at QA

Internal Audit Plan 2026/27

Internal Audit Activity	Number of Days	Proposed Timing	Status Update
Strategic Enabler: Making the Most of Our Finances and Assets – Finance and Assets Strategy			
Core Financial Controls To fulfil our statutory responsibilities, we will undertake work to provide assurance over key controls within the financial governance framework, which consists of the following key systems; Financial Control/ Monitoring, Procure to Pay, Pensions, Debtors, Financial Regulations, General Ledger, Reconciliations and Treasury Management.	30	Q3	Scoping in progress – audit scheduled for November
Strategic Enabler: An Inclusive, Healthy and Engaged Workforce			
HR/Payroll To fulfil our statutory responsibilities, we will undertake work to provide assurance over key controls within the Payroll system and the processes that feed into it.	10	Q3	Scoping in progress – audit scheduled for November
Contingency A contingency has been included within the audit plan to provide flexibility and in recognition of an expected but as yet unspecified need. If the days remain as at the beginning of Q4 then they will be used to review some key Governance areas such as Project Management and Contract Management, with the agreement of the Director of Finance and Assets.	10		
Follow-Up General To ensure all outstanding medium and high recommendations raised in previous audits are implemented.	10		
Corporate Work A proportion of the total audit resource is made available for ‘corporate work’. Corporate work is non-audit specific activity which still ‘adds value’ or fulfils our statutory duties. Examples of this type of work include attendance and reporting to Management and Committee, and audit strategy and planning work. This also includes developing the Audit Plan, writing the Annual Report and undertaking the annual Review of Effectiveness of Internal Audit.	10		
Total	110		

Management actions update

At the time of reporting, we have seven open audit actions that will require follow-up over the course of the year. Of these, **one** action is overdue, and we are engaging with the action owner to obtain the necessary updates and evidence to gain assurance over successful implementation.

Actions Table	High	Medium	Low	Total
Open actions	1	3	3	7
Actions in progress	1	2	3	6
Overdue actions	0	1	0	1

Details of the overdue action is provided on the next slide.

Overdue management action

Audit Title & Management Action	Due Date	Priority	Directorate and Action Owner
Audit report: Core Financial Controls	30 June 2026	Medium	Directorate: Finance and Assets
Finding title: Separation of Duties in management of the Finance Systems			Action owner: Principal Accountant
Finding			Latest note:
A Discussion with the IT Manager and the Principal Accountant found that the Finance service administers access rights to the Finance system, Integra. This presents a control risk as the Principal Accountants can amend permission and process changes (e.g. bank details) without a separation of duties. The Fire Authority should consider delegating the administration of the Finance system to IT and removing administrative rights from operational Finance staff in line with ISO 27001 (Information Security).			An automated audit enquiry report has been explored, but it has not managed to capture and summarise the information in a usable format. Alternative methods of reporting are to be investigated. The updated target date will be December 2026.
There are currently limited detective controls in place to monitor for administrative users misusing permissions. Through a system walkthrough on the test environment for Integra with the Principal Accountant, we confirmed that he was able to update bank details and approve payments without second officer approval. With administrative access administrators would hypothetically also be able to create ghost-users to bypass separation of duties requirements/system workflows.			
The team conducts spot checks on payments over £10,000, and there is an audit trail within the system - however we established that payment audit trails are not reviewed.			
Action			
System administration access for the finance system, Integra, will remain with the two Principal Accountants and not be transferred over to another department. Both the Director of Finance and Assets and Head of Finance accept the level of risk associated with the two Principal Accountants being system administrators and system users. However, the Principal Accountant will explore the option of creating / utilising an audit enquiry report, which will highlight any suspicious transactions / change.			

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 14 October 2026

Report title: Final Internal Audit Reports

Lead Member: Councillor Stuart Wilson

Report sponsor: Mark Hemming – Director of Finance and Assets

Author and contact: Russell Heppleston – Chief Auditor

Russell.Heppleston@buckinghamshire.gov.uk, 01296 383176

Action: Noting

Recommendations: That Members note the final audit report.

Executive summary:

The purpose of this paper is to update Members on the findings of the finalised Internal Audit reports issued since the last Overview and Audit Committee meeting.

The Internal Audit Service concluded the following audit engagements:

- Estates and Facilities Management

The Estates and Facilities Management audit evaluated five key risk areas: Strategy, Policies and Governance Arrangements; Planned Maintenance; Reactive Maintenance; Health and Safety Compliance; and Systems and Information. The overall opinion of this audit is **Reasonable**, with one high priority, one medium priority and nine low priority findings raised.

The Overview and Audit Committee considered and approved the 2026/27 plan in March 2026.

Financial implications: The audit work is contained within the 2026/27 financial year.

Risk management: There are no risk implications arising from this report.

Legal implications: There are no legal implications arising from this report.

Privacy and security implications: There are no privacy and security implications arising from this report.

Duty to collaborate: Not applicable.

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

Environmental implications: There are no environmental implications arising from this report.

Equality, diversity, and inclusion implications: There are no equality and diversity implications arising from this report.

Consultation and communication: Not applicable.

Background papers:

Appendix	Title	Protective Marking
A	Estates and Fleet Management (Reasonable)	Not applicable



Buckinghamshire & Milton Keynes Fire Authority Internal Audit

BMKFA Estates and Facilities Management

Audit Ref. 27/58

2026/27



Audit One Page Summary

Audit Title BMKFA Estates and Facilities Management			Audit Year 2026/27		
Audit Objective Internal Audit’s objectives for this Audit are to provide an evaluation of, and an opinion on, the adequacy and effectiveness of the system of internal controls that are in place to manage and mitigate financial and non-financial risks of the systems in place.			Why This Audit? The Authority relies on its estate to support operational response, staff wellbeing, and compliance with statutory requirements. This Audit was undertaken to assess the effectiveness of arrangements for managing estate assets, planned and reactive maintenance, and key property-related compliance activities, ensuring they support the Authority's operational and strategic objectives.		
Assurance Opinion Against the Audit Scope			Summary of Findings		
Risk Areas Covered	Assurance Opinion	Number Findings	Examples of good practice observed	Key risks observed	Key root causes identified
Strategy, Policies and Governance Arrangements	Reasonable	3	- Transitioning to the use of a new system, Infraspark, to support the recording and management of estate maintenance activities, providing a foundation for improved oversight and asset management. - Condition surveys are undertaken on a five-year cycle and are used to inform maintenance planning and budget requirements. - Established arrangements to support compliance with health and safety requirements, including asbestos and water hygiene across the estate.	- Incomplete asset information may limit the Authority's ability to effectively manage its estate. - Weaknesses in maintenance oversight and governance may reduce assurance that maintenance activities are appropriately prioritised, completed, and monitored. - Incomplete records and supporting evidence may reduce the Authority's ability to demonstrate compliance and support decision-making.	- Process & Procedures - Resources - Governance - Assurance & Monitoring
Planned Maintenance	Reasonable	1			
Reactive Maintenance	Reasonable	4			
Health and Safety Compliance	Reasonable	2			
Systems and Information	Reasonable	1			
Overall Assurance Opinion	Reasonable: There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area Audited.				

Summary Action Plan

Below is a high-level summary of the agreed management actions that are intended to address the findings raised. Further detail about Audit findings, are provided in the detailed action plan.

Ref	Agreed Management Action	Risk Rating	Responsible Officer	Due Date
1	A PPM asset audit will be commissioned to run alongside the five-yearly condition surveys to ensure all relevant assets are recorded. As part of Finding 2, the results will then be input into the live system to form a complete schedule.	HIGH	Property Manager	30 November 2026
2	The information from the PPM asset audit will be then be input into the live system to form a complete schedule of maintenance requirements.	MEDIUM	Property Manager	31 January 2027
3	All assets defined within the PPM asset audit (see Finding 1) will be allocated appropriate response and remediation timescales. The response and remediation timescales will be communicated to all stakeholders (see Finding 6).	LOW	Property Manager	28 February 2027
4	Updated KPIs will be based on the appropriate response and remediation timescales for each category as defined in Finding 3.	LOW	Property Manager	31 March 2027
5	Annual Plan objectives to separately set out the amount of expenditure forecast to address priorities identified through condition surveys, and other amounts allocated to improve facilities across the estate.	LOW	Director of Finance and Assets	28 February 2027
6	The appropriate response and remediation timescales (see Finding 3) will be communicated to all stakeholders.	LOW	Property Manager	28 February 2027
7	The process for closing Work Orders in the system will be reviewed and updated.	LOW	Property Manager	31 March 2027
8	The appropriate response and remediation timescales (see Finding 3) will be used to formalise guidance to manage and report on defects.	LOW	Property Manager	28 February 2027
9	Responsibility and reporting procedures for out-of-hours defects to be formalised.	LOW	Property Manager	31 March 2027
10	Amersham to be reinspected to confirm that no asbestos is present and report retained.	LOW	Property Manager	31 December 2026
11	Action log to be reviewed to ensure all outstanding actions are completed, and appropriate supporting evidence is attached.	LOW	Property Manager	31 March 2027

Detailed Action Plan

We have identified areas where there is scope to improve the control environment. Our detailed findings are provided below. Definitions for the levels of assurance and recommendations used within our reports are included in Appendix 1.

Finding(s) and Risk		HIGH	Root Cause(s)	
Finding 1: Systems and Information - Recording of Assets Expected Control: An asset register should be maintained which covers all items that may be subject to planned preventative maintenance (PPM). Finding(s): The Infraspark system, a digital asset management and defect reporting platform, has the capability to record assets and associated Planned Preventative Maintenance (PPM) activities. However, at the time of Audit only 123 assets were recorded within the live system. Internal Audit also reviewed a separate spreadsheet serving as an asset register containing 1,085 entries. Discussion with the Property Manager indicated that there is no complete register and that obtaining a complete inventory of estate assets is recognised as a challenge: • A historic backlog of unrecorded assets exists. • Limited internal capacity is available to validate and complete the asset inventory. Review of the larger asset register containing 1,085 records identified significant variation in the number of assets recorded at different sites. Three sites contained an average of 13 recorded assets, compared to an average of 54 assets across the remaining sites. This suggests the completeness of asset records may vary across the estate. Risk(s): If the Authority does not maintain a complete and accurate asset register, then estate assets may not be subject to appropriate maintenance, monitoring, and lifecycle management arrangements; If planned preventative maintenance is not appropriately identified, documented and exercised this will lead to an increased risk of asset failure, and reduced assurance that operational facilities remain safe and available for use.			1. Assurance & Monitoring 2. Systems 3. Resources Management Actions(s) A Planned Preventative Maintenance (PPM) asset audit will be commissioned to run alongside the five-yearly condition surveys to ensure all relevant assets are recorded. As part of Finding 2, the results will then be input into the live system to form a complete schedule.	
Responsible Person(s)	Property Manager	Action Due Date		30 November 2026

BUCKINGHAMSHIRE COUNCIL



Detailed Action Plan

We have identified areas where there is scope to improve the control environment. Our detailed findings are provided below. Definitions for the levels of assurance and recommendations used within our reports are included in Appendix 1.

Finding(s) and Risk		MEDIUM	Root Cause(s)	
Finding 2: Planned Maintenance – PPM Schedule Expected Control: The Authority should maintain a comprehensive and documented Planned Preventative Maintenance (PPM) schedule for all estate assets. The schedule should be informed by accurate asset records and condition information to ensure all maintenance requirements are identified, planned, and undertaken in a timely manner. Finding(s): Discussions with the Property Team identified that, whilst a programme of Planned Preventative Maintenance (PPM) is in place, the Authority does not have a comprehensive understanding of all assets (see Finding 1) and building elements requiring planned maintenance across its estate, particularly within older properties. Review of existing PPM records found that statutory and regulatory maintenance requirements are captured, including areas such as emergency lighting, water systems management, boilers, and air conditioning systems. The Property Team advised, however, that they could not provide assurance that all non-statutory maintenance requirements have been identified and scheduled. PPM schedules are often created based on building records, for example original equipment manufacturer (OEM) manuals. With the exception of the recently completed Blue Light Hub (West Ashland site) the Authority does not have these records. Examples of activities which are not scheduled across all sites include maintenance of roofing, gutters, external building fabric, protective decoration, and other building elements where deterioration may occur gradually and lead to higher future repair costs if not addressed through planned maintenance. Risk(s): If the Authority does not maintain a comprehensive record of all assets and building elements requiring planned preventative maintenance, then maintenance activities may not be undertaken as required, leading to asset deterioration, increased reactive maintenance costs, and reduced asset life.			1. Process & Procedures 2. Systems Management Actions(s) Information collected as part of the PPM asset audit (see Finding 1) will be input into the live system to form a complete schedule of maintenance requirements.	
Responsible Person(s)	Property Manager		Action Due Date	31 January 2027

Detailed Action Plan

We have identified areas where there is scope to improve the control environment. Our detailed findings are provided below. Definitions for the levels of assurance and recommendations used within our reports are included in Appendix 1.

Finding(s) and Risk		LOW	Root Cause(s)	
Finding 3: Strategy, Policies and Governance – Risk Appetite and Steering Expected Control: The Authority should maintain documented standards for estate asset management, including asset registration requirements and maintenance response and remediation expectations, to support consistent management of property assets. Finding(s): The Estates Management Strategy sets out the Authority's approach to estate management, including maintenance prioritisation principles and the requirement to maintain and develop an asset register. However, we did not identify documented criteria defining which property assets should be recorded within the asset register, such as thresholds based on asset type, value, criticality, or maintenance requirements. In addition, whilst the Strategy establishes a framework for prioritising maintenance activities and interventions, documented response or remediation timescales for maintenance categories were not identified. For example, expected timescales for addressing urgent defects, condition survey actions, or reactive maintenance requests have not been formally defined. Risk(s): If asset registration requirements and maintenance response standards are not formally defined, then estate assets and maintenance activities may not be managed and prioritised consistently across the Authority.			1. Governance	
			Management Actions(s)	All assets defined within the PPM asset audit (see Finding 1) will be allocated appropriate response and remediation timescales. The response and remediation timescales will be communicated to all stakeholders (see Finding 6).
Responsible Person(s)	Property Manager		Action Due Date	28 February 2027

Detailed Action Plan

We have identified areas where there is scope to improve the control environment. Our detailed findings are provided below. Definitions for the levels of assurance and recommendations used within our reports are included in Appendix 1.

Finding(s) and Risk		LOW	Root Cause(s)	
Finding 4: Strategy, Policies and Governance – Performance Reporting Expected Control: The Authority should maintain a suite of performance indicators that provide meaningful insight into the effectiveness, timeliness, and prioritisation of estate maintenance activities, enabling management to monitor performance and direct resources appropriately. Finding(s): At the time of the Audit, the key performance indicator for the Property Team was a metric based on Work Orders created versus closed, and Work Orders by status (e.g. Completed/On-Going/Paused). Whilst these provide an indication of workload and throughput, the reporting does not differentiate between the relative priority of defects. As a result, closure of low-priority defects is afforded the same weighting as higher-priority defects within performance reporting. Additionally, one of the indicators currently included on Inphase (a performance reporting platform) was unclear, and the team were not aware what it was designed to track, this was titled ‘New Pre-Planned Maintenance’. Risk(s): If performance reporting does not reflect the priority and significance of defects, then management may be unable to accurately assess service performance and prioritise maintenance activity effectively.			1. Governance 2. Accountability Management Actions(s) Key Performance Indicators will be created and modified to align with the appropriate response and remediation timescales for each category as defined in Finding 3.	
Responsible Person(s)	Property Manager		Action Due Date	31 March 2027

Detailed Action Plan

We have identified areas where there is scope to improve the control environment. Our detailed findings are provided below. Definitions for the levels of assurance and recommendations used within our reports are included in Appendix 1.

Finding(s) and Risk		LOW	Root Cause(s)	
Finding 5: Strategy, Policies and Governance Arrangements – Facilities Maintenance Budget Expected Control: The Facilities Maintenance budget is set by the results of five-yearly condition surveys; the targets set should align with operational and strategic objectives for the upkeep and improvement of the Authority’s estate and link back to the surveys upon which the budget was set. Finding(s): The 2026/27 Annual Delivery Plan, Finance & Assets (Section 5), states that £360k will be invested through the Property Standards programme in station facilities. However, the associated "Measures for Success" do not clearly align with condition survey outputs or maintenance priorities used to determine the budget requirement. Examples include improvements to gym facilities and welfare gardens/self-help procedures. Consequently, it is unclear how expenditure against the Facilities Maintenance budget will be monitored to ensure it remains aligned to the maintenance needs identified through condition surveys. Risk(s): If Facilities Maintenance expenditure is not aligned to priorities identified through condition surveys, then planned maintenance works may be delayed or not completed due to budget constraints.			1. Resources 2. Governance Management Actions(s) Annual Plan objectives will separately set out the amount of expenditure forecast to address priorities identified through condition surveys as well as other amounts allocated to improve facilities across the estate.	
Responsible Person(s)	Director of Finance and Assets		Action Due Date	28 February 2027

Detailed Action Plan

We have identified areas where there is scope to improve the control environment. Our detailed findings are provided below. Definitions for the levels of assurance and recommendations used within our reports are included in Appendix 1.

Finding(s) and Risk		LOW	Root Cause(s)	
Finding 6: Reactive Maintenance – Communication of Triage Timeframes Expected Control: Defect reports must be submitted through the defect reporting system, Infraspark, introduced in April 2026. The reporter assigns a priority to their report, which is confirmed at the assessment stage by a member of the Property Team. Finding(s): Whilst defects are prioritised within Infraspark, the Authority has not established and communicated target response and remediation timescales for defect categories. Beyond arrangements agreed with specific suppliers, no documented service standards were identified which set expectations for staff regarding when defects of differing priorities should be assessed or resolved. As a result, users of the service may not have a consistent understanding of the expected timescales for defect remediation, even where defects have been prioritised by the Property Team. Risk(s): If expected response and remediation timescales are not defined and communicated to stakeholders, then staff may have inconsistent expectations regarding the resolution of maintenance defects and may be unable to determine whether the service is performing as intended.			1. Standards & Policies	
			Management Actions(s)	The appropriate response and remediation timescales (see Finding 3) will be communicated to all stakeholders.
Responsible Person(s)	Property Manager		Action Due Date	28 February 2027

Detailed Action Plan

We have identified areas where there is scope to improve the control environment. Our detailed findings are provided below. Definitions for the levels of assurance and recommendations used within our reports are included in Appendix 1.

Finding(s) and Risk		LOW	Root Cause(s)	
Finding 7: Reactive Maintenance – Confirmation of Work Order completion by Third Party Expected Control: Where a third-party provider has closed a Work Order, there is an independent confirmation within the system by a member of the Property Team. Finding(s): We reviewed the full population of work orders raised via Infraspark since April 2026, a total of 483 records. Of these, 110 cases went directly to one of three key suppliers who are set up on Infraspark. Examination of a sample of ten of these cases, to confirm if there was independent confirmation of the work being completed by the Property team, found: - Eight cases were not completed in line with the set process. Of these eight exceptions we found: - Seven cases where there was no independent confirmation. - One case closed by the supplier where no work was required. Risk(s): If work orders completed by third-party suppliers are not independently verified, then management may have reduced assurance that maintenance activities have been completed appropriately before Work Orders are closed.			1. Process & Procedures Management Actions(s) The process for closing Work Orders in the system will be reviewed and updated to ensure alignment to Performance Indicators, agreed timescales and to improve data quality.	
Responsible Person(s)	Property Manager		Action Due Date	31 March 2027

Detailed Action Plan

We have identified areas where there is scope to improve the control environment. Our detailed findings are provided below. Definitions for the levels of assurance and recommendations used within our reports are included in Appendix 1.

Finding(s) and Risk		LOW	Root Cause(s)	
Finding 8: Reactive Maintenance – RAG Triage Documentation Expected Control: Defects reported are triaged appropriately using a documented framework which operates consistently. Finding(s): We reviewed the triage approach used by the Property Team for reactive maintenance requests. The process utilises a Red, Amber, Green (RAG) rating system, together with an additional "Blue" category. Discussions with the Property Team indicated that the Blue category is intended to identify low-priority defects that can be grouped with other works to reduce contractor call-out costs. However, we did not identify documented guidance defining the purpose of the Blue category; and through observation found it was not consistently applied. Review of defect records identified six cases categorised as Blue (out of 483 reports). These comprised one test record, three cases closed as non-defects, one blank record, and one defect that was subsequently remedied. There was also no guidance in place covering the categorisation for Red, Amber and Green defects. Risk(s): If defect prioritisation criteria are not formally documented, then defects may not be categorised consistently, resulting in inconsistent management and reporting of maintenance requests.			1. Standards & Policies Management Actions(s) We will formalise guidance used to manage and report on defects. The appropriate response and remediation timescales will set out as part of the Management Response to Finding 3.	
Responsible Person(s)	Property Manager		Action Due Date	28 February 2027

Detailed Action Plan

We have identified areas where there is scope to improve the control environment. Our detailed findings are provided below. Definitions for the levels of assurance and recommendations used within our reports are included in Appendix 1.

Finding(s) and Risk		LOW	Root Cause(s)	
Finding 9: Reactive Maintenance – Out of Hours works Expected Control: Out-of-hours defects should be reported and managed through a documented process which ensures defects, actions taken, and remedial works are consistently recorded within the Authority's maintenance management system. Finding(s): Discussions with the Property Manager and Property Team identified concerns regarding the reporting pathway for defects identified outside normal working hours. As a 24/7 emergency service, the Authority may experience operational or health and safety related defects that require urgent remedial action outside of normal working hours. In these circumstances, Watch Commanders may contact contractors directly using emergency contact arrangements. No documented procedure was identified setting out the responsibilities of Station and Watch Commanders for reporting and recording out-of-hours defects. The Property Team advised that defects reported and managed through this route are not always subsequently recorded within Infraspark, although no such cases were identified within the sample of defects we examined. Risk(s): If out-of-hours defects and associated remedial works are not consistently recorded within Infraspark, then the Authority may have incomplete maintenance records and reduced oversight of defects identified and resolved outside normal working hours.			1. Process & Procedures	
			Management Actions(s)	Responsibility and reporting procedures for out-of-hours defects to be formalised and documented.
Responsible Person(s)	Property Manager		Action Due Date	31 March 2027

Detailed Action Plan

We have identified areas where there is scope to improve the control environment. Our detailed findings are provided below. Definitions for the levels of assurance and recommendations used within our reports are included in Appendix 1.

Finding(s) and Risk		LOW	Root Cause(s)	
Finding 10: Health and Safety Compliance – Asbestos Register Expected Control: Under the Control of Asbestos Regulations 2012, the Fire Authority is required to maintain registers of asbestos and its condition on a per site basis. According to the Control of Asbestos Regulations 2012, these reports must be maintained for a minimum of 40 years. Finding(s): We reviewed the asbestos register and the most recent reports for all 22 sites (separating Aylesbury as HQ, Workshops and Station). The most recent asbestos surveys were completed in 2024, covering 12 sites where Asbestos was known, or likely to be, present. Three stations were concluded to have had no asbestos present in 2014, and one in 2005. The remaining sites were built under modern building regulations. We were provided with a tracker which covered all actions raised as part of these surveys, and tracked progress where remediation was taking place. There was one report missing, for the Amersham Station. Discussion with the Property Team indicated that there is a historic report confirming no asbestos is present, but they were unable to locate this. Risk(s): If asbestos records are not retained and readily accessible, then the Authority may be unable to demonstrate the basis of its asbestos management decisions or provide supporting evidence when required.			1. Assurance & Monitoring Management Actions(s) Amersham Fire Station is to be reinspected to confirm that no asbestos is present and the report retained.	
Responsible Person(s)	Property Manager		Action Due Date	31 December 2026

Detailed Action Plan

We have identified areas where there is scope to improve the control environment. Our detailed findings are provided below. Definitions for the levels of assurance and recommendations used within our reports are included in Appendix 1.

Finding(s) and Risk		LOW	Root Cause(s)	
Finding 11: Health and Safety Compliance – Water Risk Assessments / Legionella			1. Process & Procedures 2. Assurance & Monitoring	
Expected Control: Water Risk Assessments must be completed on a two-year review cycle with recommended remedial works followed up or actioned.				
Finding: We confirmed that all Fire Authority sites had undergone an independent Water Risk Assessment in 2025, in accordance with the established two-year review cycle. An action log was provided which recorded actions arising from these assessments and tracked their progress. At the time of review, the log showed 17 actions outstanding, 32 actions complete pending verification, and 20 actions complete. However, we noted that no supporting evidence had been attached to the action log to demonstrate the completion or verification of remedial works. The 'Evidence/Reference', 'Verified By' and 'Closure Date' fields were blank for all actions recorded within the tracker. In addition, actions arising from the Beaconsfield and Amersham Station assessments were not included within the tracker, despite recommendations being raised within both reports. We noted that the overall risk profile reported within the assessments was generally low, with High Wycombe assessed as Low-Medium risk and all remaining sites assessed between Nominal and Low risk.			Management Actions(s) The action log will be reviewed to ensure all outstanding actions are completed, and appropriate supporting evidence is attached.	
Risk(s): If remedial actions arising from Water Risk Assessments are not supported by evidence and verification records, then the Authority may be unable to demonstrate that identified risks have been appropriately addressed and closed, or that the required remedial works have had the desired improvements.				
Responsible Person(s)	Property Manager		Action Due Date	31 March 2027



Appendix 1: Definition of Conclusions

Key for the Overall Audit Opinion: Below are the definitions for the overall opinion on the system of internal control being maintained.

Definition	Rating Reason
Substantial: A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area Audited.	The controls tested are being consistently applied and risks are being effectively managed. Actions are of an advisory nature in context of the systems, operating controls, and management of risks. Some medium priority matters may also be present.
Reasonable: There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area Audited.	Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. The majority of actions are a medium priority, but some high priority actions may be present.
Limited: Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area Audited.	There is an inadequate level of internal control in place and/or controls are not operated effectively and consistently. Actions may include high and medium priority matters to be addressed.
No Assurance: Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control are inadequate to effectively manage risks to the achievement of objectives in the area Audited.	The internal control is generally weak/does not exist. Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Actions will include high priority matters to be actioned. Some medium priority matters may also be present.

Action Priority: Management actions have been agreed to address control weakness identified during the exit meeting and agreement of the draft Internal Audit report. All high and medium management actions will be entered on the Council’s Performance Management Software and progress in implementing these actions will be tracked and reported to the Audit & Governance Committee. We categorise our management actions according to their level of priority:

Definition	Rating Reason
High (H)	Action is considered essential to ensure that the organisation is not exposed to an unacceptable level of risk.
Medium (M)	Action is considered necessary to avoid exposing the organisation to significant risk.
Low (L)	Action is advised to enhance the system of control and avoid any minor risk exposure to the organisation.

Appendix 2: Root Cause Definitions

Area	Definition	Examples
Resources	The extent to which the service has sufficient, capable resources, enabling it to carry out all aspects of its operational duties efficiently and effectively.	Functions that had been carried out by a now non-existent post have fallen through the gaps; services have only enough resources to carry out key aspects of operational delivery, meaning some lower priority tasks are not executed.
Competencies & Training	The extent to which staff are appropriately qualified, trained or experienced to carry out their role.	Lack of training; inappropriate training; ineffective training plans; poor recruitment; poor training material.
Systems	The extent to which systems are fit-for-purpose and support the service to carry out its operations effectively.	System processes are not available or are not effective, resulting in discrepancies or workarounds to get the required outcome, system processes are circumvented or duplicated manually. Processes are carried out manually where systems processes would be more efficient.
Motivation & Incentives	The extent to which factors such as organisational or personnel change have impacted on staff desire to carry out their role efficiently and effectively.	Staff are feeling demotivated by a recent restructuring and removal of some posts, and do not feel that they should be taking on new responsibilities.
Standards & Policies	The extent to which expected standards have been made clear to staff and the necessary policies are in place to support these standards.	There is no policy/procedure in place; policies/procedures are out of date; policies/procedures have not been reviewed within appropriate timescales; policies etc. are difficult to locate/access; links in policies either do not work or are out of date.
Governance	The extent to which the service is governed by a clear structure that sets out the roles and responsibilities of officers, and the service is supported by appropriate risk management and control systems.	Lack of assigned responsibility and accountability; failure to act/ignorance; intentional misleading by management to protect themselves; underqualified/trained Board members.
Process & Procedures	The extent to which established processes are operating effectively and are supported by defined procedures.	Failure to follow set procedures (take care re materiality/proportionality); lack of separation of duties; controls being bypassed.
Accountability	The extent to which roles and responsibilities for decision-making have been defined and are accepted and acted on by all parties.	Unclear expectations; avoiding responsibility; lack of management oversight; poor communication.
Assurance & Monitoring	The extent to which internal and/or external checking controls exist to monitor the effectiveness of, and provide assurance to, the service.	Unclear responsibility; not identifying and/or taking action on recurring problems; checking the wrong things; under-sampling.

Appendix 3: Officers Interviewed

The following employees contributed to the outcome of the Audit:

Name	Job Title
Mark Hemming	Director of Finance and Assets
Laura Power	Property Manager
Robert Spearing	Facilities Manager
Tiffany Courtney-Barry	Property Administrator

The Closing Meeting was attended by:

Name	Job Title
Mark Hemming	Director of Finance and Assets
Laura Power	Property Manager

Draft Report:

Name	Job Title
Mark Hemming	Director of Finance and Assets
Laura Power	Property Manager

The Auditors are grateful for the cooperation and assistance provided from all the management and employees who were involved in the Audit. We would like to take this opportunity to thank them for their participation.

BUCKINGHAMSHIRE COUNCIL



Appendix 4: Distribution List

Final Report as above plus:

Name	Job Title
Louise Harrison	Chief Fire Officer

Disclaimer

Any matters arising as a result of the Audit are only those, which have been identified during the course of the work undertaken and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that could be made.

It is emphasised that the responsibility for the maintenance of a sound system of management control rests with management and that the work performed by Internal Audit Services on the internal control system should not be relied upon to identify all system weaknesses that may exist. However, Audit procedures are designed so that any material weaknesses in management control have a reasonable chance of discovery. Effective implementation of management actions is important for the maintenance of a reliable management control system.



Appendix 5: Audit Control

Deliverable	Date
Closing Meeting	5 August 2026
Draft Report	7 September 2026
Management Responses	14 September 2026
Final Report	23 September 2026

Contact Persons

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BUCKINGHAMSHIRE COUNCIL



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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 14 October 2026

Report title: Draft Auditor's Annual Report - Year-ended 31 March 2026

Lead Member: Councillor N Hussain - Lead Member for Finance and Assets, Information Security, IT

Report sponsor: Mark Hemming, Director of Finance & Assets

Author and contact: Katie Henry - Engagement Director - KPMG
katie.henry7@kpmg.co.uk

Action: Noting.

Recommendations: That the content of the report be noted.

Executive summary:

The purpose of these reports is to provide a draft summary of the findings and key issues arising from the 2025/26 audit. The reports contain an executive summary, results & findings from the work completed on audit of the financial statements and value for money.

These reports have been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office (the 'Code of Audit Practice') and is required to be published no later than 30 November of each year. The reports cover interim findings for audit year 2025/26 as the audit is still ongoing.

Financial implications:

No direct impact.

Risk management:

The results of the audit give reassurance regarding entries in the accounts and value for money arrangements.

Legal implications:

The value for money element of the report highlights how the Authority secures value for money in its use of resources.

Privacy and security implications:

No direct impact.

Duty to collaborate:

No direct impact.

Health and safety implications:

No direct impact.

Environmental implications:

No direct impact.

Equality, diversity, and inclusion implications:

No direct impact.

Consultation and communication:

No direct impact.

Background papers:

None

Appendix	Title	Protective Marking
1	Draft Auditor's Annual Report year-ended 31 March 2026	
2	Draft ISA260 - Year-end report for the year ended 31 March 2026	



Auditor's Annual Report for Buckinghamshire and Milton Keynes Fire Authority

Year ended 31 March 2026

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November 2026

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Our audit report will be made solely to the members of Buckinghamshire and Milton Keynes Fire Authority (the Authority), as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Authority, as a body, 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 members of the Authority, as a body, for our audit work, for our auditor's report, for this Auditor's Annual Report, or for the opinions we have formed.

External auditors do not act as a substitute for the Authority's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.



01

Executive Summary

Executive Summary

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Purpose of the Auditor's Annual Report

This Auditor's Annual Report provides a summary of the findings and key issues arising from our 2025/26 audit of Buckinghamshire and Milton Keynes Fire Authority (the 'Authority'). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office (the 'Code of Audit Practice') and is required to be published by the Authority alongside the annual report and accounts.

Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014 (the Act). Our responsibilities under the Act, the Code of Audit Practice and International Standards on Auditing (UK) ('ISAs (UK)') include the following:



Financial Statements - To provide an opinion as to whether the financial statements give a true and fair view of the financial position of the Authority and of its income and expenditure during the year and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting 2025/26 ('the CIPFA Code').



Other information - To consider, whether based on our audit work, the other information in the Statement of Accounts is materially misstated or inconsistent with the financial statements or our audit knowledge of the Authority.



Value for money - To report if we have identified any significant weaknesses in the arrangements that have been made by the Authority to secure economy, efficiency and effectiveness in its use of resources. We are also required to provide a summary of our findings in the commentary in this report.



Other powers - We may exercise other powers we have under the Act. These include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

In addition to the above, we respond to any valid objections received from electors.

Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities.

Financial statements and other information	The Code of Audit Practice requires us to issue the Auditor's Annual Report no later than 30 November of each year. In order for us to comply with this requirement, we have issued this Auditor's Annual Report prior to the completion of our work in relation to the financial statements and other information. Consequently, we have not reached our conclusions in respect of these areas.
Value for money	We identified no significant weaknesses in respect of the arrangements the Authority has put in place to secure economy, efficiency, and effectiveness in the use of its resources. Further details are set out on page 10.
Whole of Government Accounts	We are required to perform procedures and report to the National Audit Office in respect of the Authority's consolidation return to HM Treasury in order to prepare the Whole of Government Accounts. As the National Audit Office has not yet informed us that we are not required to perform any further procedures, we are unable to confirm that we have concluded our work in this area.
Other powers	See overleaf. Note that, as we are still performing our procedures in relation to the financial statements, we may choose to exercise our other powers in relation to the 2025/26 audit in the future.

Executive Summary

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There are several actions we can take as part of our wider powers under the Act:

Public interest reports

We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.

If we issue a Public Interest Report, the Authority is required to consider it and to bring it to the attention of the public.

As at the date of this report, we have not issued a Public Interest Report this year.

Judicial review/Declaration by the courts

We may apply to the courts for a judicial review in relation to an action the Authority is taking. We may also apply to the courts for a declaration that an item of expenditure the Authority has incurred is unlawful.

As at the date of this report, we have not applied to the courts.

Recommendations

We can make recommendations to the Authority. These fall into two categories:

1. We can make a statutory recommendation under Schedule 7 of the Act. If we do this, the Authority must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.
2. We can also make other recommendations. If we do this, the Authority does not need to take any action, however should the Authority provide us with a response, we will include it within this report.

As at the date of this report, we made no recommendations under Schedule 7 of the Act.

As at the date of this report, we have not raised any other recommendations.

Advisory notice

We may issue an advisory notice if we believe that the Authority has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency.

If we issue an advisory notice, the Authority is required to stop the course of action for 21 days, consider the notice at a general meeting, and then notify us of the action it intends to take and why.

As at the date of this report, we have not issued an advisory notice this year.

In addition to these powers, we can make performance improvement observations to make helpful suggestions to the Authority. Where we raise observations, we report these to management and the Overview & Audit Committee. The Authority is not required to take any action to these; however, it is good practice to do so, and we have included any responses that the Authority has given us.

02

Audit of the financial statements

Audit of the financial statements

The table below summarises the key financial statement audit risks that we identified as part of our risk assessment and how we responded to these through our audit.

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Management override of controls

Professional standards require us to communicate the fraud risk from management override of controls as significant.

Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We have not identified any specific additional risks of management override relating to this audit at this stage

Our Procedures

Our audit methodology incorporates the risk of management override as a default significant risk.

Assessed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.

Evaluated the selection and application of accounting policies.
In line with our methodology, evaluated the design and implementation of controls over journal entries and post closing adjustments.

Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.

Assessed the business rationale and the appropriateness of the accounting for significant transactions that are outside the entity's normal course of business, or are otherwise unusual (if any).

We analysed all journals through the year using data and analytics and focused our testing on those with a higher risk.

Our Findings

We have assessed the accounting estimates and did not identify any indicators of management bias. See slide 10 for further discussion.

We have evaluated the selection and application of accounting policies and did not identify any indicators of management bias.

We identified 4 journal entries and other adjustments meeting our high-risk criteria and our examination did not identify unauthorised, unsupported or inappropriate entries.

We noted that a formal IT process to ensure segregation of duties over journal postings and authorisation is not currently in place. Management have ultimate ownership over the journal postings and management perform a review of journals. The level of documentation of this review is not sufficient for us to place reliance on the control. We are aware that management have implemented a review process for all manual journals to provide an element of segregation but there is no restricted access or segregation of duties to posting and approving of journals. We have made no recommendation in respect of this control, but we are required to report this deficiency to you.

We did not identify any significant unusual transactions.

Conclusion

We have not identified any instances of management override of controls in our work as at the date of this report.

Audit of the financial statements

The table below summarises the key financial statement audit risks that we identified as part of our risk assessment and how we responded to these through our audit. **DRAFT**

Valuation of post retirement benefit obligations	Our Procedures	Our Findings
The valuation of the post-retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Authority's pension liability could have a significant effect on the financial position of the Authority. The effect of these matters is that, as part of our risk assessment, we determined that post-retirement benefits obligation over the Firefighters Pension Scheme has a high degree of estimated uncertainty. The financial statements disclose the assumptions used by the Authority in completing the year end valuation of the pension deficit and the year-on-year movements.	We understood the processes the Authority have in place to set the assumptions used in the valuation; We evaluated the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations; We performed inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets; We agreed the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation; We evaluated the design and implementation of controls in place for the Authority to determine the appropriateness of the assumptions used by the actuaries in valuing the liability; We challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data; We confirmed that the accounting treatment and entries applied by the Authority are in line with IFRS and the CIPFA Code of Practice; and We considered the adequacy of the Authority's disclosures in light of the actuarial findings and the requirements of IAS19.	We were content with the competency, objectivity of the actuaries and the overall methodology and processes used to calculate the liabilities. We were unable to identify a suitable and formal management control to respond to the significant risk of defined benefit obligations linked to estimation uncertainty. We have however considered management's response and consider it proportionate given the circumstances. Our specialists have assessed the individual assumptions to be balanced with the exception of the CPI which was cautious but within the appropriate range. Conclusion We have not identified any issues in relation to the significant assumptions used within the valuation of the firefighters' pension scheme liabilities. No issues have been identified from the audit procedures performed to date.

03

Value for Money

Value for Money

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Introduction

We are required to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or 'value for money'. We consider whether there are sufficient arrangements in place for the Authority for the following criteria, as defined by the Code of Audit Practice:



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.



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 do not act as a substitute for the Authority's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We are also not required to consider whether all aspects of the Authority's arrangements are operating effectively, or whether the Authority has achieved value for money during the year.

Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor's Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Authority.

Summary of findings

Our work in relation to value for money is complete.

	Financial sustainability	Governance	Improving economy, efficiency and effectiveness
Commentary page reference	12-13	14-15	16-17
Identified risks of significant weakness?	✗ No	✗ No	✗ No
Actual significant weakness identified?	✗ No	✗ No	✗ No
2025/26 Findings	No significant risks identified	No significant risks identified	No significant risks identified

Value for Money

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National context

We use issues affecting Fire Authorities nationally to set the scene for our work. We assess if the issues below apply to this Fire Authority.

Financial performance and demand

Fire Authorities are generally funded through council tax, business rates and other government grants. Over recent years, Fire Authorities have been expected to do more with less, experiencing a real-term decrease in funding over the years when compared to inflation. This has caused Fire Authorities to change the way that services are delivered in order to remain financially viable and affordable.

As part of the 2021/22 Spending Review, the National Fire Chiefs Council and the Local Government Association proposed that across Fire and Rescue Authorities in England, the fire and rescue sector could create 2% of non-pay efficiencies and increase productivity by 3% by 2024/25. The Spending Review 2024 included a re-commitment to these targets for 2025/26. It is a requirement that all Fire Authorities publish their Efficiency and Productivity Plan on the Authority's website, explaining how they intend to plan and report on efficiencies and outline the savings they plan to deliver, as well as the plan to increase productivity outputs and their commitment to increasing efficiency where possible to enable reinvestment and maintain a sustainable financial position.

At the same time, Fire Authorities are seeing continued pressure from increased demand. This includes weather-related events, where dry conditions cause an increased number of wildfires, and severe floods increase in number.

Culture and workforce

Culture in the Fire and Rescue Service has faced significant national scrutiny in 2023/24 following adverse media at some authorities and a focus on culture as part of inspections performed by HM Inspectorate of Fire and Rescue Services. The Inspectorate continues to focus on professional standards as part of their routine inspections.

Fire Authorities are very people-intensive organisations, with circa 77% of total expenditure being made up of staff costs. The culture a Fire Authority embeds across the organisation therefore plays a big part in how successfully the Authority is able to provide and deliver services and achieve their priorities. This requires an effective strategy and culture to be established to ensure a highly-skilled, motivated and diverse workforce are in place to deliver services to the communities they serve, without feeling discriminated or harassed within the workplace.

Local context

Buckinghamshire and Milton Keynes Fire Authority provides fire and rescue services across the unitary authority areas of Buckinghamshire and Milton Keynes.

The Authority continues to deliver its Community Risk Management Plan and wider service improvement programmes whilst responding to financial and operational pressures across the sector.

The Authority reported an underspend in 2025/26 and increased its level of usable reserves, supporting its overall financial resilience. Capital expenditure was below the approved programme, with a significant proportion of planned expenditure re-profiled into future years.

The Authority continues to develop plans for future investment in its estate and operational assets, including High Wycombe Fire Station.

HMICFRS published its inspection report on 14 August 2026. The inspection found that outcomes have improved significantly since the previous review, with previous causes of concern closed and strengthened governance, leadership, workforce planning and financial resilience evident. While some areas were assessed as adequate rather than good, the Authority has appropriate action plans in place to address improvement opportunities, none of which were reported by HMICFRS as causes for concern.

Whilst the Authority is not expected to be significantly affected by local government reorganisation, uncertainty remains regarding future local government funding arrangements, including the potential impact of national funding reforms. The Authority continues to consider these factors as part of its medium-term financial planning.

Financial Sustainability

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

We have considered the following in our work:

- How the Authority ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Authority plans to bridge its funding gaps and identifies achievable savings;
- How the Authority plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Authority ensures that 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; and
- How the Authority identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Budget Setting

The Authority set a balanced budget for 2025/26. The Authority applies a zero-based budgeting approach, whereby every line of the budget is reviewed and challenged. Key assumptions are set out in the Medium-Term Financial Plan (MTFP) and relate to council tax increases, council tax base growth, pay awards, inflation and funding settlements. These assumptions are subject to scrutiny through officer-led challenge panels, followed by challenge from the members. Significant budget movements and changes from previous years are specifically reviewed, and areas of risk are identified, with mitigation plans (including use of reserves) agreed where necessary. The Chief Finance Officer is required to report on the robustness of the estimates used in the budget, and Members must have regard to this assessment when setting the budget.

The MTFP explicitly incorporates emerging cost pressures and funding uncertainties. These include inflationary pressures, particularly pay inflation; the loss or reduction of specific grants; changes in business rates and council tax funding; and service-specific pressures such as increased contributions to the Thames Valley Fire Control Service. Where funding for specific activities is uncertain, assumptions are clearly stated, and risks are reflected in the reserves strategy. Revised appendices to the MTFP are produced where updated information becomes available, ensuring emerging issues are reflected before final approval.

The Authority approved a balanced budget for 2026/27 and continues to operate formal revenue and capital budget monitoring arrangements. The Quarter 1 2026/27 budget monitoring report indicates that financial performance remains broadly in line with expectations, demonstrating ongoing management oversight and timely monitoring of the Authority's financial position.

Savings

As with all local authorities, the Authority has a savings plan to achieve a balanced budget. For the Authority, it set itself a target of identifying savings equal to 2% of the non-pay budget, equivalent to £245k for 2025/26, with no planned savings for the pay budget. The Authority met its saving target at the end of 2025/26, with £359k delivered.

Capital Expenditure

The Authority incurred capital expenditure of £1.336m against an approved programme of £8.843m in 2025/26. A total of £7.480m was re-profiled into 2026/27, primarily reflecting the phased delivery of the Westcott training centre and delays to other property and fleet projects. The Authority continues to monitor delivery through its capital reporting arrangements.

Financial Sustainability

DRAFT

Financial Performance

The Authority set a balanced revenue budget of £42.99m for 2025/26 and delivered a favourable outturn, reporting a revenue underspend of £0.49m.

As a result, usable reserves increased from £14.91m to £16.94m at 31 March 2026, further strengthening the Authority's financial resilience. The improved position was supported by investment income exceeding budget expectations, which meant a planned transfer of £0.50m from reserves was no longer required.

The Authority's treasury position remained strong throughout the year. Year-end borrowing remained unchanged at £4.62m (both long term and short-term borrowings), whilst cash and short-term investment balances remained high at £27.25m. This reflects the Authority's continued ability to fund operational requirements and planned investment without increasing its reliance on external borrowing. The Authority continues to operate a robust financial planning framework, with financial and workforce plans aligned to the Community Risk Management Plan and regularly reviewed through revenue and capital budget monitoring reports.

The Authority maintains a robust approach to financial monitoring. Revenue and capital performance are reported regularly to management and members through the budget monitoring process, supported by monitoring of key operational indicators that influence financial performance, including workforce establishment, vacancy levels, overtime, bank staffing and absence levels. During our review we noted evidence of effective oversight through these arrangements, enabling management to respond to emerging financial pressures and maintain delivery within approved budgets.

The Authority has approved a balanced budget for 2026/27 and continues to incorporate known funding changes within its medium-term financial planning. While uncertainty remains regarding future local government funding arrangements, including the ongoing Fair Funding Review, the Authority remains well placed to manage these challenges from its current financial position.

Key financial and performance metrics:	2025/26	2024/25
Planned surplus/(deficit)	0	0
Actual surplus/(deficit)	£0.49m surplus	£0.95m surplus
Usable reserves	£16.94m	£14.91m
Year-end borrowings	£4.62m	£4.62m
Cash and short-term investment	£27.25m	£26.72m
Saving target delivery	£0.36m	£0.24m

Governance

DRAFT

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

We have considered the following in our work:

- how the Authority monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Authority approaches and carries out its annual budget setting process;
- how the Authority ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Authority ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Authority monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

Risk Management

The Authority has established a clear and structured approach to identifying both current and emerging risks. Risks are identified through a range of sources, including strategic planning activities, audits, incident data, staff feedback and engagement with external partners, including the Thames Valley Local Resilience Forum. All identified risks are assessed using a standardised 5x5 likelihood and impact matrix, supported by defined scoring criteria to promote a consistent approach to risk assessment across the organisation.

Risk assessments are reviewed regularly and are based on professional judgement supported by clearly defined likelihood and impact measures. Each risk is assigned an untreated, current and target score, enabling the Authority to evaluate the effectiveness of existing controls and determine whether further action is required. Risk scores are subject to challenge and scrutiny through delivery groups and corporate governance forums, with escalation processes in place where risk levels increase or significant changes occur.

Mitigating actions are determined using the recognised risk response options of tolerate, treat, transfer or terminate. Each risk is assigned a named owner and is supported by documented current and planned mitigating actions, implementation timescales and target risk scores within the relevant risk registers. Progress against these actions is monitored through regular reviews to assess the effectiveness of controls and identify where further improvements may be required.

Risks are reported and reviewed through a clearly defined governance structure, progressing from local and departmental risk registers through delivery groups to the Organisational Risk Group and the Community Risk Management Plan (CRMP) Performance Board. Strategic risks are reviewed by the Strategic Leadership Board and reported to the Fire Authority through the Overview and Audit Committee, providing appropriate member-level scrutiny, challenge and transparency.

The Framework also incorporates a Risk Appetite Statement, which defines the Authority's tolerance for risk across different categories and provides guidance to support informed decision-making and the effective management of risk within agreed parameters.

Decision Making

The Authority's decision-making arrangements are well established and proportionate to its size and complexity. Governance is supported by an appropriate committee structure, with decisions of significant financial or strategic importance requiring supporting business cases, project mandates or Project Initiation Documents (PIDs). These documents set out the rationale for the proposal, alignment with strategic objectives, financial implications, affordability, and associated risks.

(Cont....)

Governance

DRAFT

(... Cont.)

The Authority also considers the equality and environmental impacts of its decisions, supporting compliance with its statutory duties. The most significant decision taken during the year was the approval of the On-call Improvement Programme at the Fire Authority's extraordinary meeting in March 2026. The programme includes the removal of six on-call fire engines and the closure and decommissioning of the fire stations at Great Missenden and Stokenchurch. We reviewed the reports supporting this decision and found that they provided a clear and comprehensive basis for informed decision-making.

We also reviewed reports published on the Authority's website, including consultation materials, and noted that the proposals were subject to appropriate analysis and were reported transparently to both Members and the public.

Governance Structure

The Authority is governed by the Fire Authority, supported by the Overview and Audit Committee, which provides independent oversight and scrutiny, and the Executive Committee, which is responsible for executive decision-making. Day-to-day operational management is delegated to the Senior Management Board (SMB), which is accountable for the delivery of the Authority's services and strategic objectives.

	2025/26	2024/25
Control deficiencies reported in the Annual Governance Statement	None	None
Head of Internal Audit Opinion	Reasonable Assurance	Reasonable Assurance
His Majesty's Inspectorate of Constabulary and Fire & Rescue Services	Good and Adequate	Under default phase of monitoring 'Scan'
Local Government Ombudsman findings	None	None



Improving economy, efficiency and effectiveness

DRAFT

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

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Authority evaluates the services it provides to assess performance and identify areas for improvement;
- how the Authority ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Authority commissions or procures services, how it assesses whether it is realising the expected benefits.

Efficiency Plans

The Authority sets annual efficiency and productivity targets as part of its budget-setting process. For 2025/26, it established an efficiency target of 2% of the non-pay budget (£245k). The Authority delivered savings of £359k during 2025/26, representing 2.9% of budgeted non-pay expenditure and exceeding its annual savings target. This demonstrates the Authority's continued ability to identify and deliver efficiencies whilst maintaining service delivery and operational performance. A significant contributor to these savings has been the reduction in bank costs during 2025/26.

Operational Performance

The Authority monitors operational performance through a quarterly KPI dashboard aligned to its four strategic priorities: Public Impact, Response, Great Place to Work, and Public Value. The dashboard provides a comprehensive view of organisational performance across financial, operational, workforce and risk-related measures. KPIs are monitored regularly and assigned a RAG status, with areas of strong performance also highlighted to support organisational learning and continuous improvement.

Our review of the performance dashboard did not identify any indication of the Authority's operational performance having significantly deteriorated as a result of these efficiency measures.

Procurement

The Authority has established procurement arrangements to support compliance with procurement regulations, and our review did not identify any concerns regarding their operation.

The Authority maintains a register of tender waivers, which are monitored as an exception to standard procurement requirements. Since April 2025, six waivers have been approved, the largest of which was £55k for the management of the Telecoms Hub, where only one suitably qualified supplier was identified.

The low number and value of tender waivers relative to overall expenditure indicate a strong culture of compliance and an ongoing commitment to securing value for money and the efficient use of resources.

Improving economy, efficiency and effectiveness

DRAFT

External Inspection

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) published its 2025-27 inspection report of Buckinghamshire Fire and Rescue Service on 14 August 2026.

HMICFRS concluded that the Service is performing effectively overall, assigning grades of Good in six of the ten inspection areas and Adequate in the remaining four areas. These judgements indicate that the Service is generally meeting expectations and delivering effective services, whilst recognising that further improvements are required in some areas to achieve consistently strong performance.

The report highlighted significant progress since the previous inspection cycle, noting that the Service had implemented all recommendations associated with previous causes for concern and addressed the majority of previously identified areas for improvement. HMICFRS attributed this progress to strengthened governance arrangements, improved performance oversight, more effective use of data and intelligence, and more stable leadership.

While HMICFRS identified eight areas for improvement, these relate primarily to the further embedding and sustainability of recent changes, including operational learning and debrief processes, statutory building consultation response times, major incident preparedness, IT project governance, equality impact assessments and workforce monitoring arrangements. These findings arose within service areas assessed as either Good or Adequate and do not represent significant weaknesses in governance or service delivery.

Management has confirmed that a formal action plan will be developed to address the recommendations, with progress reported to Members and monitored through the Authority's established governance arrangements.

Given the positive inspection outcomes, the substantial improvement demonstrated since the previous inspection, and the Authority's clear commitment to addressing the remaining areas for improvement, we have not identified any matters arising from the inspection that give rise to significant value for money concerns.

Capital Investment and Estate Management

The Authority has continued to progress plans for the redevelopment of High Wycombe Fire Station. In March 2026, options for the future of the station were presented to the Senior Leadership Team, including an assessment of costs, risks and delivery implications. A Property Manager was appointed to further develop the options and the approach of the project.

By September 2026, a detailed business case had been developed and presented to the Fire Authority. Five options were assessed, with comprehensive refurbishment and reconfiguration of the existing station identified as the preferred option. The proposal includes improvements to the building's condition, operational facilities, accessibility, welfare provision and environmental performance, supported by an £8 million capital investment programme.

We reviewed the business case and supporting documentation and noted that the project is subject to ongoing governance oversight, with progress and key decisions reported through established management and Member governance arrangements.

Based on our review, we are satisfied that appropriate arrangements are in place to support informed decision-making and delivery of this significant estate investment.





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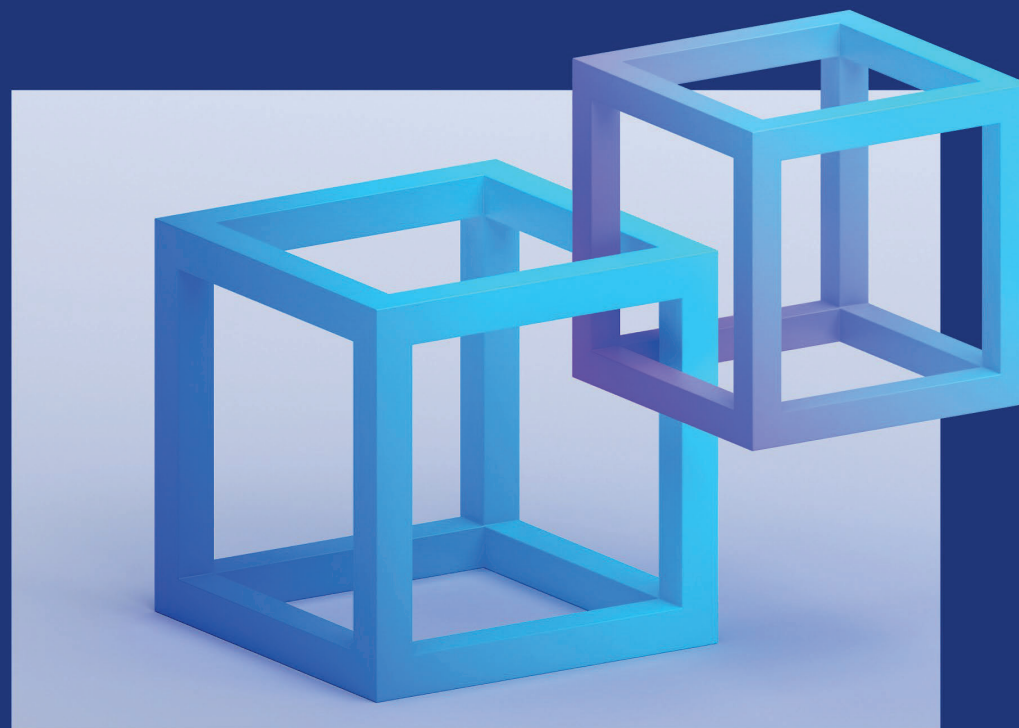
Buckinghamshire and Milton Keynes Fire Authority

Year End Report to the Overview & Audit Committee

Year end report for the year ended 31 March 2026

—

14 October 2026



Introduction

To the Overview & Audit Committee of Buckinghamshire and Milton Keynes Fire Authority

We are pleased to have the opportunity to meet with you on 14 October 2026 to discuss the results of our audit of the consolidated financial statements of Buckinghamshire and Milton Keynes Fire Authority (the 'Authority') as at and for the year ended 31 March 2026.

We are providing this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions. This report should be read in conjunction with our audit plan and strategy report, presented on 22 July 2026. We will be pleased to elaborate on the matters covered in this report when we meet.

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when:

- Audits are executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality management; and
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

Subject to the approval of the statement of accounts, we expect to be in a position to sign our audit opinion on the approval of those statement of accounts and auditor's representation letter by 31 January 2027, provided that the outstanding matters noted on page 4 of this report are satisfactorily resolved. There have been no significant changes to our audit plan and strategy.

We draw your attention to the important notice on page 3 of this report, which explains:

- The purpose of this report
- Limitations on work performed
- Restrictions on distribution of this report

Yours sincerely,

Katie Henry

16 September 2026

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Katie Henry (Katie.Henry7@KPMG.co.uk), the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with the response, please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Tim Cutler. (tim.culter@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access KPMG's complaints process here: [Complaints](#).

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Audit risks and our audit approach	6-9
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Other matters	11
Value for money	12
Appendix	16

Important notice



This report is presented under the terms of our audit under Public Sector Audit Appointments (PSAA) contract.

The content of this report is based solely on the procedures necessary for our audit.

Purpose of this report

This Report has been prepared in connection with our audit of the financial statements of Buckinghamshire and Milton Keynes Fire Authority (the 'Authority'), prepared in accordance with the International Financial Reporting Standards ('IFRSs') as adapted Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, as at and for the year ended 31 March 2026.

This Report has been prepared for the Overview & Audit Committee, a sub-group of those charged with governance, in order to communicate matters that are significant to the responsibility of those charged with oversight of the financial reporting process as required by ISAs (UK), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report, or for the opinions we have formed in respect of this Report.

Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the Authority's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors.

We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit

Our audit is not yet complete, and matters communicated in this Report may change pending signature of our audit report. We will provide an oral update on the status. Page 4 'Our Audit Findings' outlines the outstanding matters in relation to the audit. Our conclusions will be discussed with you before our audit report is signed.

Restrictions on distribution

The report is provided on the basis that it is only for the information of the Audit (and Risk) Committee of the Authority; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.



Our audit findings

Significant audit risks	Page 6-9
Significant audit risks	Our findings
Management override of controls	We have not identified any instances of management override of controls in our work.
Present value of defined benefit (DB) obligations - Firefighters Pension Scheme)	The results of our testing were satisfactory. We have not identified any issues in relation to the significant assumptions used within the valuation of the firefighters pension scheme defined benefit obligations.

Key accounting estimates	Page 10
Fair value of land and buildings	Balanced We assessed as reasonable the assumptions underpinning the valuation.
Present value of defined benefit (DB) obligations – Firefighters Pension scheme	Balanced We assessed as the assumptions underpinning the valuation to be balanced for the FFPS.
Fair value of DB plan assets – LGPS (including asset ceiling)	Optimistic We assessed as the assumptions underpinning the valuation to be optimistic, but within reasonable range for the LGPS, as a result of a slightly optimistic CPI assumption.

Corrected Audit Misstatements	Page 22
No audit misstatements above our reporting threshold were identified. We noted a classification error within Note 8; however, this has no impact on the balances reported in the primary financial statements. Further details are set out on page 22.	

Misstatements in respect of Disclosures	Page 22
Misstatements in respect of Disclosures	

We have identified 1 disclosure misstatement in Officers' Remuneration disclosure.

Number of Control deficiencies	Page 23
Significant control deficiencies	0
Other control deficiencies	1
Prior year control deficiencies remediated	0

Outstanding matters

Our audit is substantially complete except for the following outstanding matters

- Pension
- Management representation letter
- Signed annual report to KPMG
- Finalise audit report and sign
- Subsequent event confirmation

Significant risks and Other audit risks

We discussed the significant risks which had the greatest impact on our audit with you when we were planning our audit.

Our risk assessment draws upon our historic knowledge of the business, the industry and the wider economic environment in which the Authority operates.

We also use our regular meetings with senior management to update our understanding and take input from local audit teams and internal audit reports.

See the following slides for the cross-referenced risks identified on this slide.

Significant risks	
1.	Management override of controls
2.	Valuation of post retirement benefit obligations (Firefighters Pension Scheme)

Audit risks and our audit approach

1 Management override of controls^(a)

Fraud risk related to unpredictable way management override of controls may occur



Significant audit risk

Professional standards require us to communicate the fraud risk from management override of controls as significant.

Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We have not identified any specific additional risks of management override relating to this audit at this stage.



Our response

Our audit methodology incorporates the risk of management override as a default significant risk.

- Assessed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluated the selection and application of accounting policies.
- In line with our methodology, evaluated the design and implementation of controls over journal entries and post closing adjustments.
- Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assessed the business rationale and the appropriateness of the accounting for significant transactions that are outside the entity's normal course of business, or are otherwise unusual (if any).
- We analysed all journals through the year using data and analytics and focus our testing on those with a higher risk.

Note: (a) Significant risk that professional standards require us to assess in all cases.



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Audit risks and our audit approach (cont.)



Management override of controls(cont.)^(a)

Fraud risk related to unpredictable way management override of controls may occur



Our findings

- We have assessed the accounting estimates and did not identify any indicators of management bias. See slide 10 for further discussion.
- We have evaluated the selection and application of accounting policies and did not identify any indicators of management bias.
- We identified 4 journal entries and other adjustments meeting our high-risk criteria and our examination did not identify unauthorised, unsupported or inappropriate entries
- We noted that formal IT process to ensure segregation of duties over journal postings and authorisation is not currently in place. Management have ultimate ownership over the journal postings and management perform a review of journals. The level of documentation of this review is not sufficient for us to place reliance on the control. We are aware that management have implemented a review process for all manual journals to provide an element of segregation but there is no restricted access or segregation of duties to posting & approving of journals. We have made no recommendation in respect of this control, but we are required to report this deficiency to you.
- We did not identify any significant unusual transactions.

Conclusion

We have not identified any instances of management override of controls in our work.

Note: (a) Significant risk that professional standards require us to assess in all cases.



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Audit risks and our audit approach

2

Valuation of post retirement benefit obligations (Firefighters Pension Scheme)

Risk that an inappropriate amount is estimated and recorded.



Significant audit risk

The valuation of the post-retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates.

The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Authority's pension liability could have a significant effect on the financial position of the Authority.

The effect of these matters is that, as part of our risk assessment, we determined that post-retirement benefits obligation over the Firefighters Pension Scheme has a high degree of estimated uncertainty.

The financial statements disclose the assumptions used by the Authority in completing the year end valuation of the pension deficit and the year-on-year movements.



Our response

We have performed the following procedures designed to specifically address this significant risk:

- We understood the processes the Authority have in place to set the assumptions used in the valuation;
- We evaluated the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations;
- We performed inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;
- We agreed the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;
- We evaluated the design and implementation of controls in place for the Authority to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;
- We challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;
- We confirmed that the accounting treatment and entries applied by the Authority are in line with IFRS and the CIPFA Code of Practice; and
- We considered the adequacy of the Authority's disclosures in light of the actuarial findings and the requirements of IAS19.



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Key:

0 Prior year Current year

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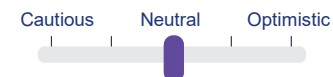
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Audit risks and our audit approach (cont.)

2

Valuation of post retirement benefit obligations (Firefighters Pension Scheme) (cont.)

Risk that an inappropriate amount is estimated and recorded for the defined benefit obligation



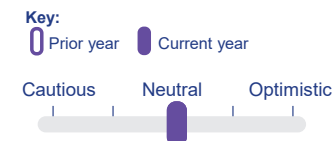
Our findings

- We were content with the competency, objectivity of the actuaries and the overall methodology and processes used to calculate the liabilities.
- We were unable to identify a suitable and formal management control to respond to the significant risk of defined benefit obligations linked to estimation uncertainty. We have however considered management's response and consider it proportionate given the circumstances.
- Our specialists have assessed the individual assumptions to be balanced with the exception of the CPI which was optimistic but within the appropriate range.

Conclusion

We have not identified any issues in relation to the significant assumptions used within the valuation of the firefighters pension scheme liabilities.

Key accounting estimates and management judgements- Overview



Our view of management judgement

Our views on management judgments with respect to accounting estimates are based solely on the work performed in the context of our audit of the financial statements as a whole. We express no assurance on individual financial statement captions.

Asset/liability class	Our view of management judgement	Balance (£m)	YoY change (£m)	Our view of disclosure of judgements & estimates	Further comments
Defined benefit plan liabilities – FFPS		(203.6)	1.9		KPMG actuarial specialists reviewed the assumptions underpinning the calculation of the defined benefit plan balances for the FFPS, overall the assumptions were concluded to be balanced.
Defined benefit plan liabilities – LGPS		(29.9)	(1.0)		KPMG actuarial specialists reviewed the assumptions underpinning the calculation of the defined benefit plan balances, for LGPS. The assumptions are individually balanced, with the exception of CPI which was concluded to be optimistic but within range.
Land and buildings		54.2	1.3		We have evaluated the judgements underpinning the valuation of land and buildings and concluded the valuation, and disclosures, to be balanced.

Assessment of actuarial assumptions



Overall assessment of assumptions for audit consideration							 <i>Balanced</i>	
Underlying assessment of individual assumptions		Methodology	Consistent methodology to prior year?	Compliant methodology with accounting standard?	Company	KPMG central	Assessment	Key assumptions
Discount rate		AA yield curve	✓	✓	6.10%	6.08%		✓
CPI inflation		Deduction to inflation curve	No	✓	2.90%	3.03%		✓
Pension increases		In line with CPI	✓	✓	2.90%	2.93%		
Salary increases		Barnett Waddingham's standard approach	✓	✓	CPI plus 1%	In line with long-term remuneration policy		
Mortality	Base tables	In line with 31 March 2020 Fund valuation	✓	✓	109% of the SAPS series 3 Normal Middle base tables for both males and females	In line with Scheme best-estimate		✓
	Future improvements	Latest available CMI model	✓	✓	CMI 2025,1.25% long-term trend rate and default other parameters	CMI 2025,1.25% long-term trend rate and default other parameters		✓
Other demographics		In line with most recent Fund valuation	✓	✓	Cash commutation proportion varies by the Schemes	In line with Scheme experience		

Other matters

Narrative report

We have read the contents of the Narrative Report and checked compliance with the requirements of the Annual Report and financial statements with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 ('the Code'). Based on the work performed:

- We have not identified any inconsistencies between the contents of the Narrative Report and the financial statements.
- We have not identified any material inconsistencies between the knowledge acquired during our audit and the statements of the Authority.

As Overview & Audit Committee members you confirm that you consider that the Narrative Report and financial statements taken as a whole are fair, balanced and understandable and provides the information necessary for regulators and other stakeholders to assess the Authority's performance, model and strategy.

Annual Governance Statement

We have reviewed the Authority's 2025/26 Annual Governance Statement and confirmed that:

- It complies with Delivering Good Governance in Local Government: A Framework published by CIPFA/SOLACE; and
- It is not misleading and is consistent with other information we are aware of from our audit of the financial statements.

Whole of Government Accounts

As required by the National Audit Office (NAO) we carry out specified procedures on the Whole of Government Accounts (WGA) consolidation pack.

We are yet to receive instructions from NAO regarding WGA.

Independence and Objectivity

ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors, which we completed at planning and no further work or matters have arisen since then.

Audit Fees

Our scale fee for the 2025/26 audit, as set by PSAA is £109k plus VAT (£106k in 2024/25).

We have not completed any non audit work at the Authority during the year.

01

Value for money

Value for Money

We are required under the Audit Code of Practice to confirm whether we have identified any significant weaknesses in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.

In discharging these responsibilities we include a statement within the opinion on your accounts to confirm whether we have identified any significant weaknesses. We also prepare a commentary on your arrangements that is included within our Auditor's Annual Report, which is required to be published on your website alongside your annual report and accounts.

Commentary on arrangements

We have prepared our Auditor's Annual Report and a copy of the report is included within the papers for the Committee alongside this report. The report is required to be published on your website alongside the publication of the annual report and accounts.

Response to risks of significant weaknesses in arrangements to secure value for money

As noted on the right, we have identified no risks of a significant weakness in the Authority's arrangements to secure value for money.

We have no recommendations to report.

Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

Domain	Risk assessment	Summary of arrangements
Financial sustainability	No significant risks identified	No significant weaknesses identified
Governance	No significant risks identified	No significant weaknesses identified
Improving economy, efficiency and effectiveness	No significant risks identified	No significant weaknesses identified

Further detail is set out in our Auditor's Annual Report.

Performance improvement observations

As part of our work we have identified 1 Performance Improvement Observations, which are suggestions for improvement but not responses to identified significant weaknesses – see page 15 and we have also followed up on 2 Performance Improvement Observations on page 16.

Value for Money: Performance improvement observations

The performance improvement observations raised as a result of our work in respect of identified or potential significant value for money risks in the current year are as follows:

Priority rating for observations			
1 Priority one: Observations linked to issues where, if not rectified, these issues might mean that you do not meet a system objective or reduce (mitigate) a risk. 2 Priority two: Observations linked to issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately, but the weakness remains in the system. 3 Priority three: Observations linked to issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.			
#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	3	Publication of Annual Governance Statement Under the Accounts and Audit Regulations 2015, English local authorities are required to publish the Annual Governance Statement (AGS) alongside the Statement of Accounts (SoA). BMKFA published its unaudited Statement of Accounts on 30 June 2026; however, the Annual Governance Statement was not published at the same time. While management subsequently extended the period for the exercise of public rights to reflect the delayed publication of the AGS, the Regulations require the AGS to be published alongside the Statement of Accounts. As a result, the Authority did not fully comply with the statutory publication requirements during the accounts publication process. The Authority should enhance its accounts publication controls by implementing a pre-publication review process to confirm that all statutory documents, including the Annual Governance Statement, are published alongside the Statement of Accounts in accordance with the Accounts and Audit Regulations 2015.	Management will change the processes to ensure a draft AGS is published at the same time as the draft accounts.

Value for Money: Performance improvement observations

Below we have set out our findings from following up performance improvement observations raised in prior periods:

#	Risk	Issue, Impact and Recommendation	Management Response in 2024/25	Update as of Oct 2026
1	3	High Wycombe fire station The Authority has identified that the condition of the High Wycombe fire station is deteriorating on account of the stations age. If the quality of the station deteriorates further, there may be an impact on the quality of services provided out of that station. The Authority has started work to identify and appraise options for the fire station. However, there can be a long lead time in being able to perform capital works therefore it's important that the Authority deals with the station as a priority. The Authority should ensure that work to rectify the condition of the High Wycombe fire station is reported regularly through the Authority's governance structure to allow for scrutiny as to the nature of the proposed works and progress in implementing a solution.	Management will provide a verbal response at the Overview & Audit Committee meeting.	The Authority has progressed plans for the future of High Wycombe Fire Station during the year. Options were developed and assessed, a Property Manager was appointed to lead the project, and a detailed business case was subsequently presented to the Fire Authority recommending comprehensive refurbishment and reconfiguration of the station. Based on our review, we are satisfied that the Authority has made appropriate progress in developing a long-term solution and that suitable governance arrangements are in place to oversee the project. Therefore, we considered the previous Performance Improvement Observation being fully addressed.
2	3	Risk management The Authority has a risk management process which is appropriate and proportionate to the size, nature, and complexity of the Authority. However the Authority should consider enhancing risk management processes by including elements we consider to be good practice from other organisations. These are: - Setting a risk appetite statement for the different types of risk the authority faces (e.g. financial, quality, reputational) - this may result in the Authority identifying that existing controls are insufficient to bring a risk within appetite, or may allow the Authority to take on a greater degree of risk, whilst still controlled, to enhance the services it provides. - Setting a target score and date for each individual risk - this would allow members to assess whether the Authority is effectively managing risks to the desired level, or whether there is a gap in the mitigations required to adequately control risk.	Management provided verbal response at the Overview and Audit Committee.	The new risk policy and risk management framework have been refreshed in 2025/26. The Risk management framework includes a risk appetite statement. This statement specified the different risk tolerance and priority for strategic risk and operational Risk. In addition, the risk register has been updated to include a target risk score and relevant dates to track the progress. Considering improvements made above, we deem this previous Performance Improvement Observation being fully addressed.

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Required communications

Type	Response
Our draft management representation letter	☒ OK We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2026.
Adjusted audit differences	☒ OK There was 1 adjusted audit difference with no impact on the balance on the primary statements.
Unadjusted audit differences	☒ OK There is no unadjusted audit misstatement.
Related parties	☒ OK There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit Committee	☒ OK There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies	☒ OK We communicated to management in writing all deficiencies in internal control over financial reporting of a lesser magnitude than significant deficiencies identified during the audit throughout the audit.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts	☒ OK No actual or suspected fraud involving management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements identified during the audit.
Issue a report in the public interest	☒ OK We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters.

Type	Response
Significant difficulties	☒ OK No significant difficulties were encountered during the audit.
Modifications to auditor's report	☒ OK We plan to issue a clean opinion
Disagreements with management or scope limitations	☒ OK The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information	☒ OK No material inconsistencies were identified related to other information in the statement of accounts.
Breaches of independence	☒ OK No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.
Accounting practices	☒ OK Over the course of our audit, we have evaluated the appropriateness of the Authority's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Significant matters discussed or subject to correspondence with management	☒ OK None.
Certify the audit as complete	☒ OK We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above. We will issue our certificate once we have received confirmation from the National Audit Office that their audit of the Whole of Government Accounts is complete and therefore all our work in respect of the Authority's Whole of Government Accounts consolidation pack is complete.
Whole of government accounts	☒ OK As required by the National Audit Office (NAO) we carry out specified procedures on the Whole of Government Accounts (WGA) consolidation pack. We are yet to receive instructions from NAO regarding WGA.

Fees

Audit fee

Our fees for the year ending 31 March 2026 are set out in the PSAA Scale Fees communication and are shown below.

Entity	2025/26 (£'000)	2024/25 (£'000)
Scale fee as set by PSAA	109	106
Fee variations – Subject to PSAA approval	TBC	31
Non-audit fees	0	0
TOTAL	109	137

We note we are expecting fee variations for the following areas in 2025/26 and will advise of the level as work progresses:

- Project costs arising from the local audit backlog solution
- LGPS Triennial valuation (we will be in a position to provide an estimate once this has been considered further).

Fee variations are subject to PSAA approval.

Billing arrangements

Fees have been billed in accordance with the milestone completion phasing that has been communicated by the PSAA.

Basis of fee information

Our fees are subject to the following assumptions:

- The Authority's audit evidence files are completed to an appropriate standard (we will liaise with you separately on this);
- Draft statutory accounts are presented to us for audit subject to audit and tax adjustments;
- Supporting schedules to figures in the accounts are supplied;
- A trial balance together with reconciled control accounts are presented to us;
- All deadlines agreed with us are met;
- We find no weaknesses in controls that cause us to significantly extend procedures beyond those planned;
- Management will be available to us as necessary throughout the audit process; and
- There will be no changes in deadlines or reporting requirements.
- There are no VFM significant risks

We will provide a list of schedules to be prepared by management stating the due dates together with pro-formas as necessary.

Our ability to deliver the services outlined to the agreed timetable and fee will depend on these schedules being available on the due dates in the agreed form and content.

Any variations to the above plan will be subject to the PSAA fee variation process.

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Director and audit staff is not impaired.

To the Overview & Audit Committee members

Assessment of our objectivity and independence as auditor of Buckinghamshire and Milton Keynes Fire Authority

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners/directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard.

As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values.
- Communications.
- Internal accountability.
- Risk management.
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity.

Confirmation of Independence (cont.)

Independence and objectivity considerations relating to the provision of non-audit services

Summary of non-audit services

There are no non-audit services provided.

Summary of fees

We have considered the fees charged by us to the Authority and its affiliates for professional services provided by us during the reporting period. Total fees charged by us can be analysed as follows:

	2025/26	2024/25
	£'000	£'000
Audit of Authority	109	106
Total audit fees	109	106
Non-audit fees	0	0
Total Fees	109	106

Contingent fees

We confirm that we have complied with the FRC Ethical Standard's prohibition on charging contingent fees for non-audit services to or in respect of an audited entity.

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Audit and Risk Committee.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Risk Committee of the Group and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP

Corrected audit misstatements

Under UK auditing standards (ISA (UK) 260) we are required to provide the Overview & Audit Committee with a summary of corrected audit differences (including disclosures) identified during the course of our audit. The adjustments below have been included in the financial statements.

Corrected audit misstatements (£'000s)				
No.	Detail	SOCI Dr/(cr)	SOFP Dr/(cr)	Comments
1	Dr ESMCP	182		- Classification error within Note 8 relating to grant income. We are required to report the misstatement as amount exceeds our reporting threshold, however, it has no impact on the grant
	Cr Protection Grant	(182)		- income balance reported in the primary financial statements.
Total		0	0	

Misstatements in Disclosures

50k Banding Disclosure: We identified an error in the disclosure banding of the Chief Fire Officer's benefits in kind. Management has corrected the disclosure in the updated Statement of Accounts, and no further issues were identified..



Control Deficiencies

The recommendations raised as a result of our work in the current year are as follows:

Priority rating for recommendations

- | | | |
|--|--|---|
| <p>1 Priority one: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.</p> | <p>2 Priority two: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.</p> | <p>3 Priority three: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.</p> |
|--|--|---|

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	3	Timely review of IT policy As part of our review of IT general process, we noted that two key IT process procedures are not reviewed timely. The procedures state that they will be continually reviewed and, as a minimum, on an annual basis. However, the most recent documented reviews were completed in 2020, and no evidence was provided that subsequent reviews or approvals had taken place. While the procedures remain in place and continue to provide relevant guidance, there is an increased risk that they may not fully reflect current technology, cybersecurity risks, regulatory requirements, or operational practices. Recommendation Management should establish a formal process to ensure that key IT procedures are reviewed, approved and documented in accordance with their prescribed review frequency. Responsibility for performing and monitoring these reviews should be clearly assigned, with appropriate oversight to ensure procedures remain current and fit for purpose.	The ICT documents are currently being reviewed by the ICT manager and will be updated accordingly.

KPMG's Audit quality framework

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To ensure that every director and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

Responsibility for quality starts at the top through our governance structures as the UK Board is supported by the Audit Oversight (and Risk) Committee, and accountability is reinforced through the complete chain of command in all our teams.

■ Commitment to continuous improvement

- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

■ Performance of effective & efficient audits

- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching, including the second line of defence model
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Insightful, open and honest two way communications

■ Commitment to technical excellence & quality service delivery

- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights



■ Association with the right entities

- Select clients within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

■ Clear standards & robust audit tools

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- KPMG Clara incorporating monitoring capabilities at engagement level
- Independence policies

■ Recruitment, development & assignment of appropriately qualified personnel

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members employed KPMG specialists and specific team members



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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 14 October 2026

Report title: Treasury Management Performance April to June 2026/27

Lead Member: Councillor Niknam Hussain

Report sponsor: Mark Hemming, Director of Finance & Assets

Author and contact: Marcus Hussey mhussey@bucksfire.gov.uk

Action: Noting.

Recommendations: That the Treasury Management Performance April to June 2026/27 report be noted.

Executive summary:

This report is being presented to provide the treasury investment outturn position covering April to June 2026/27. It is best practice to review on a regular basis how Treasury Management activity is performing.

The accrued interest earned for April to June 2026/27 is £0.290m, which is £0.090m higher than the budget set for the same period (£0.200m).

Significant payments relating to the approved capital investment programme and pension obligations are yet to be made. The Authority has therefore been able to maximise the short-term investment of available funds. This has enabled higher returns through placements in short-term investment deals, optimising income in the interim period.

Financial implications:

The budget set for 2026/27 relating to interest earned on balances invested is £0.800m. Performance against the budget is included within Appendix A.

Risk management:

Making investments in the Authority's own name means that the Authority bears the risk of any counterparty failure. This risk is managed in accordance with the strategy and with advice from external treasury management advisors.

The Director of Finance and Assets will act in accordance with the Authority's policy statement; Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.

The risk of counterparty failure is monitored on the directorate level risk register within Finance and Assets.

There are no direct staffing implications.

Legal implications:

The Authority is required by section 15(1) of the Local Government Act 2003 to have regard to the Department for Communities and Local Government Guidance on Local Government Investments; and by regulation 24 of the Local Authorities (Finance and Accounting) (England) Regulations 2003 [SI 3146] to have regard to any prevailing CIPFA Treasury Management Code of Practice.

Privacy and security implications:

No direct impact.

Duty to collaborate:

No direct impact.

Health and safety implications:

No direct impact.

Environmental implications:

No direct impact.

Equality, diversity, and inclusion implications:

No direct impact.

Consultation and communication:

No direct impact.

Background papers:

Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy

<https://bucksfire.gov.uk/wp-content/uploads/2026/09/Treasury-Management-Strategy-2026-27.pdf>

Appendix	Title	Protective Marking
1	Treasury Management Performance April to June 2026/27	



Buckinghamshire
Fire & Rescue Service
Making a difference together

Treasury Management Performance

April to June 2026/27

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Treasury Management Performance April to June 2026/27

This report presents an update on the Authority's treasury management performance for period April to June 2026/27. The Authority's treasury management activities are reviewed on a regular basis to assess performance against the treasury management strategy 2026/27.

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that members be updated on treasury management activities at least quarterly. This report, therefore, ensures this Authority is implementing best practice in accordance with the Code.

UK Economic Update and Prospects for Interest Rates

The Authority's treasury advisors Mitsubishi UFJ Financial Group Corporate Markets (MUFG) provides officers with regular economic update on Consumer Prices Index (CPI) inflation and interest base rate. A summary ending June 2026 can be seen below:

CPI

- Inflation showed a gradual easing during April–June, with CPI falling by 0.7 percentage points from March's 3.3% to 2.6% in June. The June reduction was primarily driven by lower transport and food price inflation, although underlying inflation remained above the Bank of England's 2% target.
- Higher energy and utility costs are expected to push inflation above 3% over the coming months, before falling towards the 2% target during 2027. The current inflation (as of 21 September 2026) is 3.1%.

Inflation (MPC meetings: 30 April and 18 June 2026)

- There were two MPC meetings during April to June 2026. The first, on 30 April 2026, saw Bank Rate stay at 3.75% with an 8-1 split vote in favour of that decision. One member dissented and voted for a 0.25% increase to 4%, citing inflation concerns, something generally noted as a primary concern within the minutes and reflecting heightened caution due to potential energy supply shocks caused by the Middle East conflict.
- By the time the MPC next met on 18 June 2026, the hawkish split widened, with two members voting to raise rates to 4%. However, with headline CPI inflation sticking at 2.8%, the market's sentiment that there may, but only may, be a need for a single rate increase over the next few months seems to be aligned to the way the MPC is thinking and is also similar to our own view of rates staying at 3.75% but with upside risk.
- The current interest base rate (as of 21 September 2026) is 3.75%, with the next review date set for 05 November 2026

MUFG's view of the prospects for bank and PWLB interest rates as at 01 July 2026:

Interest Rate Forecasts								
Bank Rate	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28
MUFG CM	3.75%	3.75%	3.75%	3.75%	3.75%	3.50%	3.50%	3.25%
Cap Econ	3.75%	3.75%	3.75%	3.75%	3.75%	3.25%	3.00%	-
5Y PWLB RATE								
MUFG CM	5.00%	5.00%	4.90%	4.80%	4.60%	4.40%	4.20%	4.20%
Cap Econ	5.20%	4.90%	4.70%	4.60%	4.60%	4.50%	4.40%	-
10Y PWLB RATE								
MUFG CM	5.50%	5.50%	5.40%	5.30%	5.10%	4.90%	4.70%	4.70%
Cap Econ	5.60%	5.50%	5.30%	5.30%	5.20%	5.10%	5.10%	-
25Y PWLB RATE								
MUFG CM	6.00%	6.00%	5.90%	5.80%	5.60%	5.40%	5.20%	5.20%
Cap Econ	6.30%	6.10%	5.80%	5.80%	5.70%	5.60%	5.50%	-
50Y PWLB RATE								
MUFG CM	5.80%	5.80%	5.70%	5.50%	5.40%	5.20%	5.00%	5.00%
Cap Econ	6.10%	5.80%	5.50%	5.40%	5.30%	5.30%	5.20%	-

Security of Investments

The primary investment priority, as outlined in the Treasury Management Policy Statement, is the security of capital. To support this, the Authority utilises the creditworthiness service provided by MUFG. This determines whether a counterparty is suitable to invest with and if so, the maximum duration an investment could be placed with them.

In the Annual Investment Strategy (AIS), the Authority determined that no more than 30% of the total investment portfolio may be held with any single counterparty at any given time, subject to an absolute maximum of £5m. An exception is made for Lloyds Bank, the Authority's banking provider, for whom the limit is set at £7.5m, of which a maximum of £5m can be invested in fixed term deals.

For period April to June 2026/27, MUFG made no significant amendments to the counterparty listing. During this period, there were no breaches of individual counterparty limits. The amounts invested with each counterparty as at 30 June 2026 are detailed below:

Counterparty	Credit Ratings						Amount (£000)
	Fitch		Moody's		S&P		
	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	
Lloyds Bank Corporate Markets	AA	F1+	A1	P-1	A	A-1	5,000
Standard Chartered Bank	AA-	F1+	A1	P-1	A+	A-1	4,000
National Bank of Kuwait (UK)	A+	F1	-	-	A+	A-1	5,000
Bradford Metropolitan Borough Council	-	-	-	-	-	-	3,000
North East Lincolnshire Council	-	-	-	-	-	-	2,000
Newcastle Building Society	-	-	-	-	-	-	2,000
West Bromwich Building Society	-	-	-	-	-	-	1,000
CCLA Fund Managers Ltd (MMF)	AAA	F1	Aaa	P-1	AAA	A-1	1,413
Aberdeen Asset Management PLC (MMF)	AAA	F1	Aaa	P-1	AAA	A-1	1,468
Lloyds Bank plc (MMF)	AA	F1+	A1	P-1	A+	A-1	4,458
Lloyds Bank plc (CA)	AA	F1+	A1	P-1	A+	A-1	74
Total							29,413

BS = Building Society, MMF = Money Market Fund, CA = Current Account, SD Sustainable Deposit. Credit rating as at 18 September 2026.

Credit Rating

MUFG provides the Authority with a weekly credit rating report for all counterparties listed in the Treasury Management Strategy (TMS). In addition, MUFG supplies the Authority with real-time updates on any changes to credit ratings as they occur. It is important to note that MUFG does not set these credit ratings; they are sourced from the major credit rating agencies: Fitch, Moody's, and Standard & Poor's (S&P).

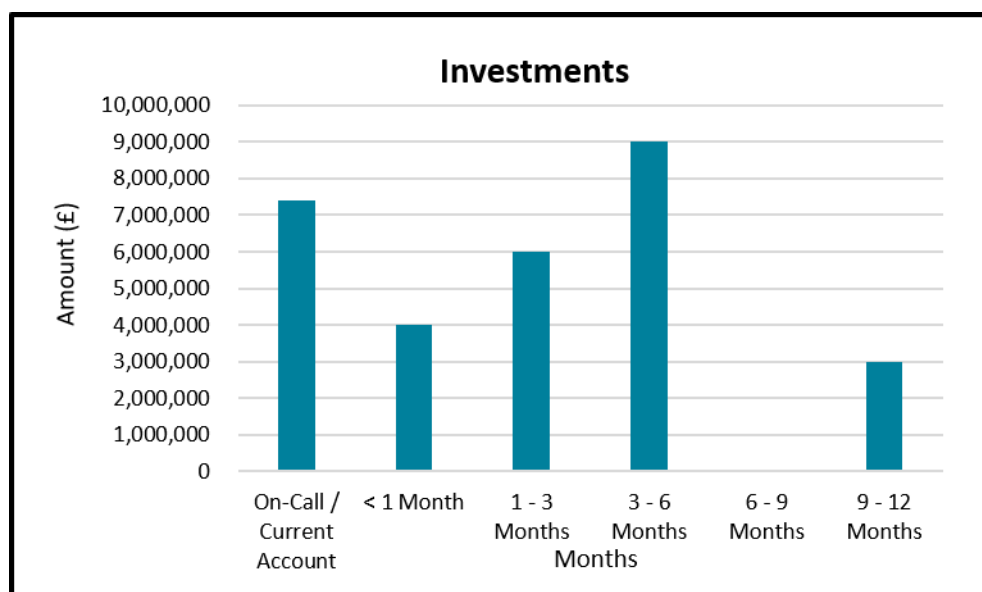
While credit ratings form a key part of the creditworthiness assessment, the Authority does not place sole reliance on them. A broader range of indicators is also considered, including market data, financial information, government support for financial institutions, and the credit rating of the supporting government.

Some counterparties (primarily Building Societies) are not rated by the major credit rating agencies. In such cases, the Authority conducts its own assessment, reviewing relevant market data and information, including the institution's asset portfolio, prior to entering into any investment agreement.

Further details on credit rating classifications and their definitions can be found within the TMS.

Liquidity of Investments

The second objective outlined in the Treasury Management Policy Statement is to ensure the liquidity of investments (namely, maintaining the availability of funds to meet expenditure requirements as they arise). To support this objective, investments have been made across a range of maturities, including a proportion held in on-call accounts to ensure immediate access to funds when needed. The current investment allocation by remaining maturity is illustrated in the chart below:



To meet present expenditure requirements, such as salaries, pensions, creditor payments, and potential liabilities for which provisions have been made in the Statement of Accounts, the Authority invests balances in short-term fixed deposits, along with holding funds in call accounts / Money Market Funds (MMFs).

As of 30 June 2026, the Authority holds 19 fixed-term investments totalling £22m, with maturities falling within between the <1 month and 12 month periods. All fixed-

term Investment deals are scheduled to mature over the next eleven months. These investments were originally placed over varying durations and will be re-invested for different terms upon maturity, in order to maintain sufficient liquidity and align with anticipated cash flow requirements.

In addition, the Authority continues to utilise MMFs to enhance the overall liquidity of its investment portfolio and to manage short-term cash flow more effectively. By pooling funds with other investors, the Authority benefits from shared liquidity and reduced risk, as it is unlikely that all participants will seek to withdraw funds simultaneously.

Borrowing

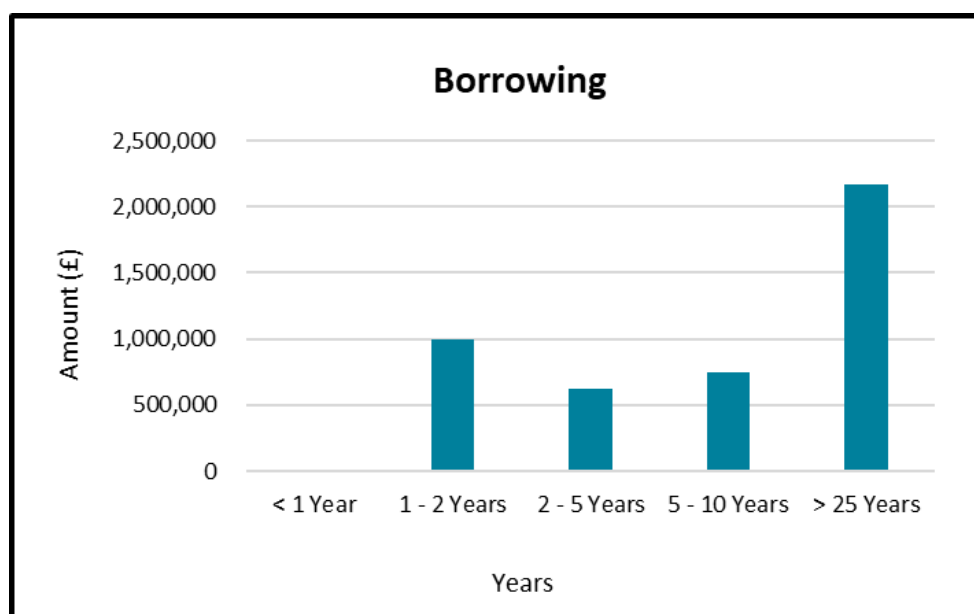
Effective liquidity management requires consideration of the maturity profile of the Authority's outstanding borrowing. No new borrowing is expected to be undertaken during 2026/27, in accordance with the Treasury Management Strategy (TMS).

As at 31 June 2026, the Authority's total outstanding borrowing stood at £4.550m, with £0.214m interest payments being paid over the 2026/27 financial year. The interest payments on the borrowing directly impact the revenue budgets.

The next scheduled loan maturity is due in December 2027 for £1.000m. Repayments of the loan amount has no direct impact on the revenue budget, as they are funded using cash previously set aside via the Minimum Revenue Provision (MRP) and Voluntary Revenue Provision (VRP) to meet future debt obligations.

At present, there are no further plans to make additional early repayments of borrowing.

The following chart illustrates the maturity structure of the Authority's external borrowing portfolio:



Investment Yield

Once appropriate levels of security and liquidity have been established, it is reasonable to consider the level of investment yield that can be achieved without compromising these primary objectives.

Performance Against Budget

As part of the 2026/27 Medium-Term Financial Plan (MTFP) process, the interest receivables budget was reviewed and subsequently increased to £0.800m. This adjustment was approved by the Fire Authority in February 2026. The increase reflected a combination of factors:

- A steady Bank of England base rate
- Delays in the capital costs relating to the approved capital programme
- Delays in pension-related payments following up-front receipt of pension grant.

The budget has been set on a prudent basis, with any investment income generated above the approved budget considered a positive contribution to the Authority's overall financial position.

With payments relating to the capital programme and pension related costs still to be made, the Authority has been able to maximise the short-term investment of the additional available funds. This has enabled higher returns through placements in short-term fixed investment deals and utilising MMFs, optimising income in the interim period. For April to June 2026/27, the accrued interest earned amounted to £0.290m, exceeding the planned budget for the period of £0.200m by £0.090m.

The Authority continues to maximise the use of its call account with Lloyds Bank. This approach reduces daily balances held in the current account, allowing the Authority to take advantage of higher interest rates available on the call account facility, compared to interest received within the current account.

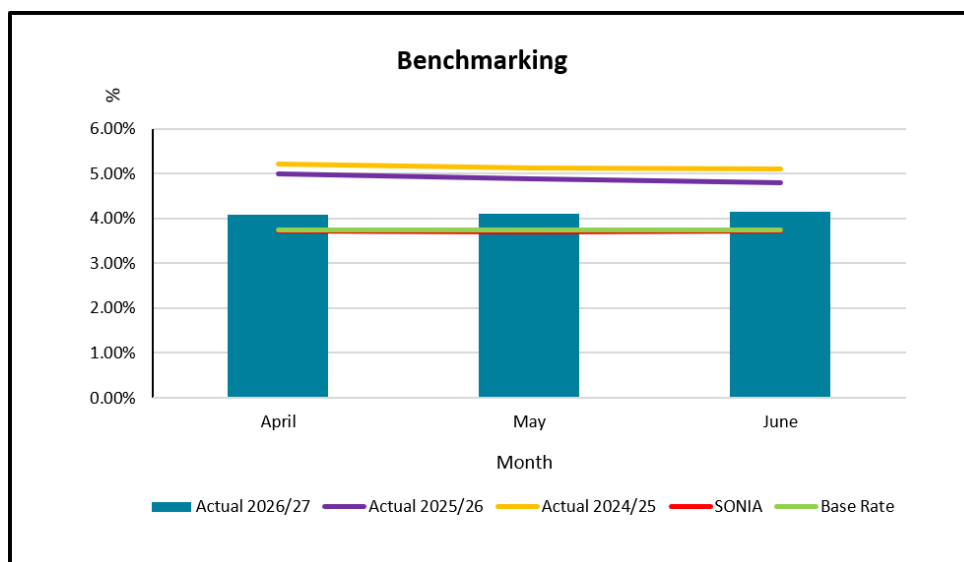
There have been no reductions in the Bank of England base rate since April 2026, with the base rate remaining at 3.75%. The next scheduled review date set for 05 November 2026.

The interest rate forecast table produced by MUFG indicates that interest rates are expected to remain at 3.75% for 2026/27, rather than the anticipated steady reduction when the interest income budget was set. Therefore, the Authority will continue to adopt a prudent investment approach, seeking to maximise returns while prioritising security, liquidity, then yield. The budget for 2026/27 is set at £0.800m and the early forecasts are expecting the return on investment to be circa £1.000m.

Benchmarking

The relative performance of the investments is measured against three benchmark figures:

- SONIA (Sterling Overnight Index Averages) – SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.
- Base Rate – This is the interest base rate set by the Bank of England’s MPC.
- The weighted average rate (%) (Actual) is compared to the two benchmark figures in the following chart for each month.

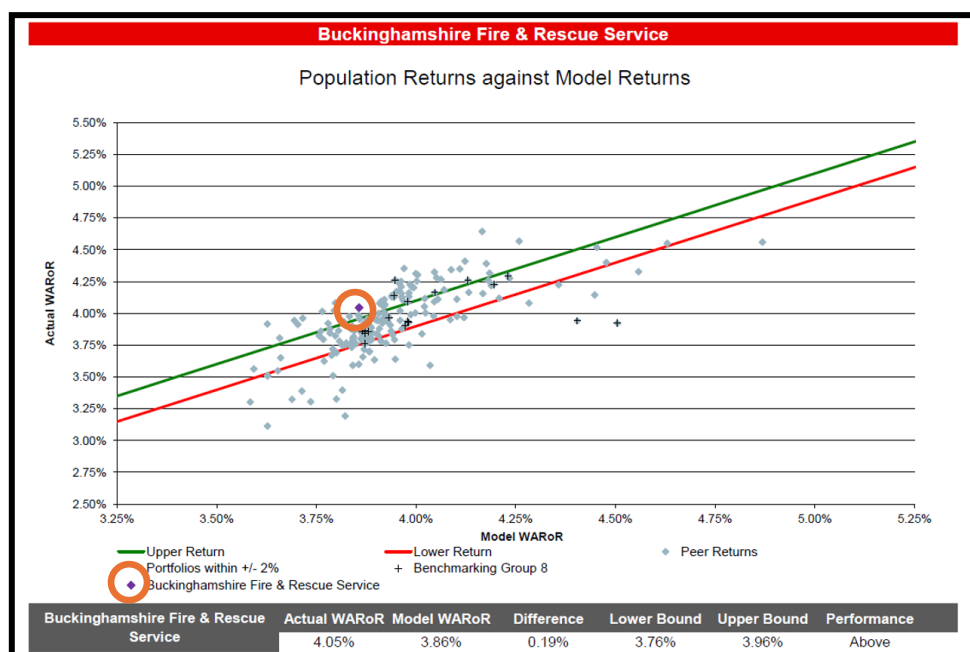


The Authority continues to explore opportunities to invest over longer durations (6 to 12 months) by maintaining a strong cash flow position, alongside healthy balances in MMF accounts. Market expectations of a static bank of England base rate for 2026/27 have already begun to influence available investment rates being consistent for the first quarter. As illustrated in the Benchmarking table above., for April to June 2026/27 the average returns are slightly above 4% (represented by the blue bar). The Authority has consistently achieved returns above both the Bank of England base rate (green line) and the SONIA rate (red line), which both mirror one another.

As shown in the Benchmarking table, the Authority has been unable to achieve the same level of returns on investments maturing in 2026/27, which were originally placed during 2025/26 (represented by the purple line), due to the shift in market conditions and declining interest rates during 2025/26.

The Authority will continue to re-invest surplus funds across a range of maturity dates to optimise investment returns while ensuring sufficient liquidity is maintained to meet day-to-day operational expenditure.

Treasury management performance is benchmarked by MUFG against its portfolio of local authority clients, as well as a select group of twenty peer authorities with investment profiles closely aligned to that of the Authority. The following chart presents investment returns relative to model returns, comparing the Authority’s performance against both the peer group and the wider benchmarking group.



The chart shows the model weighted average rate of return (WARoR) versus the actual WARoR. In essence, this adjusts the expected returns for maturity and credit risk so that performance can be more accurately assessed. The best performing organisations are those where the actual WARoR is significantly higher than the model WARoR i.e. closer to the top-left of the chart is better. The Authority's current performing 'Above' the performance expectations.

BFRS vs other FRS (as at 30 June 2026)

MUFG has 15 other Fire and Rescue Service (FRS) clients. Based on the WARoR, the Authority's return of 4.05% is slightly higher than the average return achieved by the other FRS clients, at 3.88%. This difference is largely due to the type of investments held. On average, the other FRS clients currently have a greater proportion of their funds invested in MMFs and call accounts, which generally provide greater liquidity but tend to generate lower returns. In comparison, the Authority has invested a larger proportion of its funds in fixed-term investments, enabling it to achieve higher returns. This approach has been supported by the Authority's robust cash flow forecasting, which provides sufficient confidence over its future cash requirements and enables a larger proportion of available funds to be placed in fixed-term investments for longer periods, while maintaining appropriate levels of liquidity.

BFRS vs other FRS	Average funds invested as at 30 June 2026 (£000)	Weighted Average Rate of Return %
Bucks Fire	29,355	4.05%
Other FRS (Average of the 15)	22,177	3.88%

Impact of Inflation

Over time inflation will (all other things being equal) reduce the value of investments and borrowing. The table below shows the impact of inflation over the past five years:

Impact on Inflation	Value as at March 2026 (£000)	Equivalent Value in 2021 Adjusted for Inflation (£000)
Borrowing	4,550	3,539
Investments	29,413	22,878

Source: <https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>

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Overview and Audit Committee Forward Plan 2026/27

ITEM 11

Item	Reporting Date	Recommended Action	Lead Officer
Corporate Risk Management	January 2027	Approval	Head of Service Improvement
Internal Audit Reports (a) Final Audit Reports (b) Progress Update	January 2027	Noting	Internal Audit Manager/Director of Finance and Assets
Treasury Management Performance	January 2027	Noting	Head of Finance and Assets
Auditor's Annual and Year end Reports – Year ended 31 March 2026	January 2027	Noting	Director of Finance and Assets
Letter of Management Representation 2025/26	January 2027	Approval	Director of Finance and Assets
Statement of Accounts – Year Ended 31 March 2026	January 2027	Approval	Director of Finance and Assets

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