

Lancashire Combined Fire Authority

Audit Committee

Thursday, 26 March 2026, at 10.00 am in the Main Conference Room,
Service Headquarters, Fulwood.

Minutes

Present:	
Councillors	
J Ash	
M Clifford (Chair)	
J Hugo (Vice-Chair)	

Officers
S Brown, Director of Corporate Services (LFRS) J Meadows, Head of Finance (LFRS) A Latham, Financial Accountant (LFRS) D Howell, Monitoring Officer (LFRS) S Hunter, Member Services Manager (LFRS) L Barr, Member Services Officer (LFRS)
In attendance
L Luddington, External Audit, Grant Thornton C Wallace, External Audit, Grant Thornton A Dalecki, Internal Audit, Lancashire County Council L Rix, Internal Audit, Lancashire County Council Oldendorp, Internal Audit, Lancashire County Council

25-25/26	Apologies for Absence
	Apologies for absence were received from County Councillors S Asghar, P Buckley, L Hutchinson, and R Walsh.
26-25/26	Disclosure of Pecuniary and Non-Pecuniary Interests
	None received.
27-25/26	Minutes of the Previous Meeting
	Resolved: - That the Minutes of the last meeting held on 11 December 2025 be confirmed as a correct record and signed by the Chair. The minutes were proposed by County Councillor J Ash, and seconded by County

	Councillor J Hugo.
28-25/26	External Audit - Auditors Plan 2025-26
	Liz Luddington, Key Audit Partner, and Curtis Wallace, Public Sector Audit Manager presented the Audit Plan 2025/26. It was noted that the external auditors were required to produce an annual audit plan, setting out the areas intended for review during the year. Members considered the Audit Plan which included key matters that impacted on the audit, details of significant risks identified and the key aspects of proposed response to the risk, other matters, progress against prior year recommendations, Grant Thornton's approach to materiality, IT audit strategy, value for money arrangements, audit logistics and team, audit fees, independence and non-audit services, and communication of audit matters with those charged with governance. The proposed audit fee was £105.938k (last year's fee was £106.053k). The report identified significant risk areas were i) Management of override of controls, ii) The revenue cycle includes fraudulent transactions, iii) The expenditure cycle includes fraudulent transactions, iv) Valuation of land and buildings, and vi) valuation of the pension fund net liability. Liz Luddington explained that the Audit would commence earlier this year with a date for completion of the Audit in November 2026, in time for the January deadline. The Chair asked if there were any indications that fees would increase. Curtis Wallace advised that the fees were set and there were no risks that would indicate that fees would be increased. The only reason for an increase in fees would be if an unplanned area of work were needed which was above normal procedures. The Director of Corporate Services (DoCS) asked for clarification on the potential outcome of a failure to meet the backstop date of 30 November. Liz Luddington confirmed that in the worst-case scenario, a qualified opinion could be issued due to insufficient time to gather all evidence required. An exception form would allow the failure of meeting the deadline without being officially non-compliant. Following a disclaimed opinion, sample sizes would increase in the following year. It was difficult to gain assurance 'build back' and it would usually take a 2-3 year cycle to complete the extra work. In response to a query from the DoCS regarding Grant Thornton's capacity to complete the audit, Liz Luddington advised that this year had been a trial run and there was a focus on delivery in the firm. The Audit would commence earlier and there was a pooling of teams where departments would be paired with one manager across both. The work would be continuous with no audit running alone. Work to meet the deadline would commence as soon as the ledger closed. Councillor J Hugo asked if the Fire Authority was on track to meet the deadline. Liz Luddington confirmed that they had met the deadline for the current year so by

	starting the audit earlier, there should be no issue. Curtis Wallace added that interim testing had taken place on the sample selection, Councillor J Hugo moved to note the report and presentation; seconded by County Councillor J Ash. Resolved: That the Audit Committee agreed the external audit plan for 2025/26.										
29-25/26	Internal Audit Plan 2026-27										
	The Internal Auditors were required to produce an Annual Audit Plan, which set out areas they intended to review during the year. The plan amounted to a total resource of 70 audit days in 2026/27 which equated to an overall cost of £30,531 (the daily rate for auditors would be £418 and audit managers £495), which was consistent with previous years. A proposed plan was presented by Laura Rix, Senior Auditor. The Internal Audit annual plan was a critical tool for ensuring that Internal Audit effectively supported the organisation's objectives. By adhering to the new Global Internal Audit Standards, the plan ensured a risk-based, strategically aligned approach that enhanced governance, risk management, and control processes. Internal Audit focus should be proportionate and appropriately aligned. The plan would remain fluid and subject to ongoing review and amendment in consultation with senior management within the Lancashire Fire and Rescue Service, to ensure it continued to reflect the organisation's needs and risks. Any significant amendments to the plan would be reported to the Audit Committee. The deployment of audit resources was proposed as follows: - <table> <tr> <td>Governance and business effectiveness</td><td>5 days</td></tr> <tr> <td>Service delivery and support</td><td>24 days</td></tr> <tr> <td>Business Processes</td><td>24 days</td></tr> <tr> <td>Other components of the audit plan</td><td>17 days</td></tr> <tr> <td>Total</td><td>70 days</td></tr> </table> The Chair commented that a Constitution Working Group had been created with Terms Of References (TORs) being reviewed as per page 47 of the agenda pack. He noted that 5 days had been allocated for governance, and he asked for further information. Sarah Oldendorp, Audit Manager, explained that a discussion had taken place with the Chair and Vice-Chair regarding the TORs to enable joint working with Members. Days allocated could be adjusted where required. In response to a question from the Chair as to whether 70 audit days would be sufficient, Sarah Oldendorp advised that the number of days was based on the previous year and she was confident that Key Financial Systems could be completed on reduced days which allowed 2 additional days for health and wellbeing, and contaminants. Andrew Dalecki, Head of Internal Audit, stated that he was confident, for the size of the organisation, that the number of days was	Governance and business effectiveness	5 days	Service delivery and support	24 days	Business Processes	24 days	Other components of the audit plan	17 days	Total	70 days
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	appropriate, however, this could be flexible if required. County Councillor J Ash asked why the number of days for contaminants had increased to 2. Sarah Oldendorp explained that some audits had gone over the number of days in that area, so they had increased the number of days. The Chair asked and Laura Rix confirmed that there was a positive relationship with Officers in the Service and there had been no challenges. County Councillor J Ash moved to agree the Internal Audit Plan for 2026/27; seconded by Councillor J Hugo. Resolved: - That the Audit Committee agreed the Internal Audit Plan for 2026/27.
30-25/26	External Audit - Progress with External Audit Recommendations
	The Director of Corporate Services (DoCS) presented the External Auditor's Progress with the Recommendations in the Auditor's Annual Report Year ending 31 March 2025. Under the National Audit Office Code of Audit Practice, the external auditors were required to consider whether the Service had in place, proper arrangements to secure economy, efficiency, and effectiveness in its use of resources. The Audit Committee received the Auditor's Annual Report on 11 December 2025. The report brought together a summary of all the work the auditors had undertaken for Lancashire Fire and Rescue Service during 2024/25. The core element of the report was the commentary on the Value For Money (VFM) arrangements. The report included an assessment of three criteria: Financial Sustainability, Governance and Improving economy, efficiency and effectiveness. No significant weaknesses or improvement recommendations were made in relation to Financial Sustainability or Improving economy, efficiency and effectiveness, and two improvement recommendations were made in relation to Governance. The recommendations were set out in Appendix 1 in the agenda pack. Resolved: - That the Committee noted the progress made.
31-25/26	Internal Audit Monitoring Report Quarter 4
	The Internal Auditors produced a summary of progress against the annual plan for each Audit Committee meeting, setting out progress to date and any significant findings. The report for the period ended 11 March 2026 was presented by Laura Rix, Senior Auditor. To date, 60 days had been spent this financial year on completion of the 2025/26 plan, equating to 86% of the total planned audit activity of 70 days. The table in the report showed the current status of all audit work. The Chair queried the 2 day allocation for Cyber Security given its complexity. Laura Rix stated that a full audit was not needed as follow-up activities were light touch.

	Resolved: - That the Committee noted the report.
32-25/26	Risk Management
	The Director of Corporate Services presented the report to Members. Lancashire Fire and Rescue Service (LFRS) continued to strengthen its approach to organisational risk, aligning policy and practice with ISO 31000:2018 and National Fire Chief's Council (NFCC) sector guidance. Risk management remained embedded within quarterly Executive Board and Corporate Performance Board discussions, enabling ongoing scrutiny, targeted mitigation, and informed decision-making. The Corporate Risk Matrix and summary register included at Appendix A of the agenda pack reflected a stable overall risk position, with some movement during the reporting period. Notably, the loss of funding risk (2a) had reduced following increased funding certainty and was no longer within the priority reduction zone. As a result, retention and recruitment of on-call staff and the replacement of the existing mobilising system remained the most significant areas of organisational exposure. The Service continued to monitor internal, national, and geopolitical developments that could impact risk exposure or service delivery, with any material changes incorporated into the Corporate Risk Register through established processes. Members noted that the top two risks identified in the risk register were: • Loss of staff due to industrial action • Failing Pager messages The three decreased risks were: • Complete removal of the Day Crew Plus (DCP) duty system • Major lack of effective Management of personal data • Loss of funding Overall, the risk landscape remained consistent and well-controlled, with targeted adjustments reflecting operational change, sector context, and maturing mitigation rather than new or escalating threats. Following the internal audit of the Service's risk management framework, which provided a reasonable level of assurance, work was ongoing to address the three agreed areas of development: training, risk register consistency, and reporting. Progress to date had focused on identifying the most effective and proportionate approach to risk management training for risk owners and members, alongside improving consistency in action setting, review, and reporting across risk registers. This included alignment with emerging national approaches within the fire sector to support standardisation and continued maturity. Implementation remained on track, with delivery of improvements forming part of the Service's wider risk maturity trajectory towards April 2026. As part of the next review cycle, the Service would also look to further align its approach with HM

	Treasury's Orange Book: Management of Risk – Principles and Concepts, ensuring continued alignment with recognised best practice. Councillor J Hugo commented that she was pleased that the ongoing conflict in the Middle East was being monitored and was recognised as a risk due to fuel availability and organisational resilience. The Chair acknowledged that rising fuel prices would have an impact on the budget. The DoCS explained that the Service had a general reserve of £6m which was available to help with any financial pressures which were not accounted for in the budget. In response to a query from County Councillor J Ash regarding the 'Failing Pager Messages' risk and whether the pager referred to an app, the DoCS stated that pagers were a mixture of physical pagers moving towards apps. The increase in the 'Failing Pager Messages' risk reflected a temporary rise in likelihood during the transition to new mobilisation arrangements. The DoCS advised Members that he would invite the Digital, Data and Technology (DDAT) team to the next meeting to provide an update on pagers and the technology used. Resolved: - That the Committee: - i) Endorsed the Service's risk management arrangements: and ii) Noted the latest position reflected in the Corporate Risk Matrix and Register.
33-25/26	Date of Next Meeting
	The next meeting of the Committee would be held on 30 June 2026 at 10:00 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood. Further meeting dates were noted for 01 October 2026 and agreed for 15 December 2026.

**LFRS HQ
Fulwood**

**M Nolan
Clerk to CFA**