Lancashire Combined Fire Authority
Audit Committee

Tuesday, 30 June 2026, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

Minutes

Present:	
Councillors	
M Clifford (Chair)	
U Arif (Vice-Chair)	
J Ash	
A Blake	
P Buckley	
A Joynes	
B Langford	

Officers
S Pink, Assistant Chief Fire Officer (LFRS) S Brown, Director of Corporate Services (LFRS) D Howell, Monitoring Officer (LFRS) A Latham, Financial Accountant (LFRS) S Hunter, Member Services Manager (LFRS) J Kelly, Member Services Officer (LFRS)
In attendance

1-26/27	**Apologies for Absence**
	None received.
2-26/27	**Disclosure of Pecuniary and Non-Pecuniary Interests**
	None received.
3-26/27	**Minutes of the Previous Meeting**
	The minutes were moved by County Councillor J Ash. **Resolved**: - That the Minutes of the last meeting held on Thursday 26 March 2026 be confirmed as a correct record and signed by the Chair.

4-26/27	**Annual Governance Statement**
	The report was introduced by the Director of Corporate Services (DoCS). It was noted that the Authority was required to prepare and publish an Annual Governance Statement (AGS) alongside its Statement of Accounts. The AGS must be supported by an annual review of the effectiveness of the Authority's governance framework and system of internal control. The self-assessment, AGS and Local Code of Corporate Governance set out the key elements of that framework, the assurance sources considered, and the Authority's overall conclusion on the effectiveness of its arrangements. The DoCS drew attention to page 8 of the report and the ongoing review of the constitutional and policy framework, development of board arrangements, the embedding of arrangements to oversee performance, productivity, efficiency and value for money. The overall conclusion was that the Authority's governance arrangements remained sound and continued to operate effectively. No significant governance issues had been identified. The report did, however, recognise that good governance was not static and identified areas where arrangements would continue to be strengthened, including policy review, programme governance, assurance reporting, productivity and efficiency oversight, and the tracking of audit and improvement actions. Members were asked to approve the updated documents on the basis that they provided a clear and evidence-based account of the Authority's governance arrangements, while also demonstrating that identified improvements were being managed through established governance, assurance and performance arrangements. In response to a question from County Councillor P Buckley in relation to it being stated that there were no significant governance issues identified but that arrangements should continue to be strengthened, the DoCS responded that the aim was to bring through matters of governance that need improvement, including the review of the constitution and providing more information on internal audit follow up recommendations. These were captured as part of the governance review. County Councillor J Ash moved to note the report which was seconded by County Councillor P Buckley and all members voted in favour. **Resolved: -** That the Committee; • Noted and endorsed the self-assessment at Appendix A and the Annual Governance Statement at Appendix B, including the conclusion that no significant governance issues had been identified. • Recommended that the Chair of the Authority sign the Annual Governance Statement as formal confirmation of the Authority's governance assurance for 2025-26. • That the Committee noted and endorsed the updated Local Code of

	Corporate Governance at Appendix C as the framework against which the Authority's governance arrangements will continue to be reviewed.
5-26/27	**Internal Audit - Charter and mandate**
	It was noted that the Internal Audit Charter and Mandate established the framework within which Lancashire County Council's Internal Audit Service operated to best serve the Combined Fire Authority and to meet its professional obligations under applicable professional standards. The Charter and Mandate had been reviewed for 2026-27 by the Head of Service – Internal Audit (Head of Internal Audit) and updated to reflect the Global Internal Audit Standards and the associated UK public sector application requirements, which replaced the previous Public Sector Internal Audit Standards from April 2025. It is presented to the Audit Committee for approval. County Councillor J Ash moved the report which was seconded by County Councillor P Buckley and all members voted in favour. **Resolved:** - That the Committee approved the 2026-27 Internal Audit Charter and Mandate.
6-26/27	**Compliments and complaints**
	The DoCS indicated that this report provided an overview of the compliments and complaints activity during 2025-26 and explained the changes the Service was making in response to the Local Government and Social Care Ombudsman Complaint Handling Code, which would be used by the Ombudsman when considering compliance from 1 April 2026. The report was intended to provide members with assurance that complaints were being monitored, that learning was being identified, and that the Service was strengthening its arrangements in line with recognised good practice. Attention was drawn to page 67 of the agenda pack and the general process for processing complaints with a greater focus on learning and development. In 2025-26, it was noted that the Service received a total of 105 compliments and 65 complaints. Appendix 1 of the report set out the breakdown of the complaints, the main messages from the 2025-26 data being: • Complaint volumes had increased; • Email and website routes were now the main channels for complaints; • 41% (27) of complaints were 'Against the Service' Complaints against the Service were spread across a wide range of issues, with Lancashire Fire and Rescue Service (LFRS) procedures the largest single category, alongside one-off concerns about inspections, communications, social media, signage and noise. 20% (13) of complaints were 'Against LFRS Staff' – these were mainly about behaviour and professional conduct; • The two other significant areas related to damage to property (10) and driving (11).

Most complaints were resolved early and quickly. While complaint volumes had increased, themes pointed to opportunities to improve communication, consistency in procedures, and public interaction.

In response to a question from County Councillor A Blake in relation to why there was a downward trend in complaints in 2024-25 but a subsequent increase seen in 2025-26, the DoCS explained that the reason was unclear. However, looking back over the past decade, it was usual for the volume of complaints to fluctuate. There were no particular trends evident and the use of communication channels had been consistent over the past few years.

In response to a comment from County Councillor J Ash regarding driving related complaints, it was noted that there were an increased volume of vehicles on roads in recent years, as well as an increase in the number of communication channels being used by the Service for complaint handling, these factors could have led to an increased volume of complaints. However, it was felt that overall the volume of complaints was relatively low in comparison to other services.

The Chair commented that it was surprising that the LFRS social media had received complaints as he felt that it was very good. A compliment was then shared by the Chair with regards to a summer fair event held last weekend in Clayton-le-Woods which fire service teams from Chorley and Bamber Bridge were attended and with whom members of the public had enjoyed interacting.

The Chair also noted that member complaints were dealt with separately to the complaint handling process.

County Councillor P Buckley asked for clarification on compliments volume and commented that there could be more focus on positives. The DoCS responded that there were often many compliments received from the public at the site of incidents or in stations but that these were not necessarily always fed through formal channels though this was being encouraged.

County Councillor U Arif asked about the method of capturing compliments. The DoCS responded that the area admin teams should be capturing these centrally and they could come via phone, letter or email. The Assistant Chief Fire Officer (ACFO) added that there was a satisfaction survey that the service ask users of the Service to complete, though this was a slightly different process.

County Councillor P Buckley enquired whether there was a follow up done with LFRS event organisers to capture any feedback in terms of compliments. The ACFO responded that the Service would not normally pursue the capture of compliments on these occasions.

County Councillor J Ash commented that she felt that the public had an expectation that LFRS would operate to high standards as a norm and were therefore less likely to issue compliments.

County Councillor J Ash moved the report; this was seconded by County Councillor P Buckley, and all members voted in favour.

Resolved: - That the Committee

- Noted the compliments and complaints activity for 2025-26.
- Endorsed the revised complaint handling arrangements to align with the Ombudsman Complaint Handling Code.
- Supported the introduction of enhanced governance and reporting arrangements.
- Noted a further annual report including performance against the new Code and identified service improvements will be provided at the end of 2026-27.

7-26/27 **Accounting Estimates**

The DoCS presented the report to members.

It was noted that the International Standard on Auditing (UK) 540, Auditing Accounting Estimates and Related Disclosures, were revised in December 2018 and applied to audits of financial statements for periods commencing on or after 15 December 2019. The revised standard strengthened the focus on estimation uncertainty, complexity, subjectivity, management bias and the adequacy of related disclosures. The standard was relevant because a number of balances in the Authority's Statement of Accounts could not be measured with absolute certainty and therefore required management judgement, specialist advice and the use of assumptions. Auditors were required to understand and evaluate the nature and extent of the oversight and governance arrangements in place over management's financial reporting process for accounting estimates.

It was noted that the Audit Committee should understand which significant estimates are included within the Statement of Accounts. Significant estimates are those that:

- Require significant judgement by management to address subjectivity;
- Have high estimation uncertainty;
- Are complex to make;
- Had, or ought to have had, a change in method, assumptions or data compared to previous periods; or
- Involve significant assumptions.

The Statement of Accounts included balances based on assumptions about future events or other matters that were inherently uncertain. Estimates were made having regard to historical experience, current trends and other relevant factors. As a result, actual outcomes may differ materially from those estimates.

The Statement of Accounts were prepared in accordance with the most recent edition of the Code of Practice on Local Authority Accounting in the United Kingdom (the Code), published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

It was noted that the Statement of Accounts were prepared on a 'going concern' basis, reflecting the Authority's assessment that its financial position remained sustainable for the foreseeable future, having regard to the 2026-27 budget-setting process approved in February 2026, the Medium Term Financial Strategy, the

	reserves position and the statutory framework within which fire and rescue authorities operate. Accounting standards required management to undertake an annual assessment of going concern. Although the Code recognises that local authorities could only be created or dissolved through statutory provision, the accounts must nevertheless be prepared on a going concern basis. Management had completed this assessment and was not aware of any material uncertainty that would prevent the Authority from continuing to provide services for the foreseeable future. Members considered the significant Accounting Estimates for 2025-26 including the estimated value, degree of uncertainty and methodology used for the: 1. Valuation of land and buildings 2. Depreciation of property and equipment 3. Valuation of Firefighter (FF) and Local Government Pension Scheme (LGPS) liability 4. Valuation of LGPS pension asset 5. Holiday pay expenditure accrual. It was noted that each year the Executive Board was asked to consider whether there were any transactions, events, or conditions (or changes in circumstances) that may require either the recognition of a further significant accounting estimate or disclosure as a contingent liability. This provided a formal management check that the estimates and disclosures remained complete and up to date. Based on the confirmations received from Executive Board, the contingent liabilities note had been updated to reflect the current position. One additional contingent liability had been identified in 2025-26 in respect of on-call sick pay, with an estimated potential exposure of £300,000. This matter was disclosed as a contingent liability rather than recognised as a provision because the timing, likelihood and final value of any obligation remained uncertain. In response to a question from the Chair in relation to the valuation of land and buildings, the DoCS indicated that to the value had depreciated due to a change in the construction cost and valuation indices that were being used. **Resolved: -** The Chair moved to note the report.
8-26/27	**Financial Statements Update**
	The report, presented by the DoCS, updated the Audit Committee on progress in preparing the Authority's 2025-26 unaudited Financial Statements. The latest draft core financial statements were included at Appendix 1 of the agenda pack for information. The statements remained subject to final quality assurance and external audit. These were not presented for approval by the Committee at this stage, and the figures could change before the audited accounts were presented to the Committee later in the year.

	For the financial year 2025-26, it was noted that the Authority must publish its draft accounts by the statutory deadline of 30 June 2026. The audited accounts were expected to be available by 30 November 2026, subject to completion of the external audit. This report provided the Committee with an update on the latest draft financial statements prepared for publication and audit. It was noted that there was no statutory requirement to present the unaudited accounts to the Committee before the external audit process commenced. However, presenting the latest draft core financial statements provided members with early visibility of the Authority's financial position and supported transparent financial governance. The Accounts and Audit (England) Regulations 2015 applied to the preparation, approval and audit of the Statement of Accounts and other financial statements. These regulations were based on International Financial Reporting Standards (IFRS), which sought to present accounts in a consistent format across the public and private sectors with the aim of improving transparency. The Authority's revenue outturn and statutory financial statements were prepared on different bases. The revenue outturn reflected financial performance against the Authority's budget. The statutory financial statements then applied required accounting adjustments, including pension and asset valuation entries. These adjustments were necessary for compliance with accounting standards but did not affect the Authority's available revenue funding. The latest draft Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and Cash Flow Statement were set out in Appendix 1 of the report. Subject to final quality assurance processes, these would form part of the accounts submitted for external audit. The draft financial statements did not identify any immediate issues affecting the Authority's ability to deliver operational services. There were no questions raised by Committee members. The Chair thanked the team who put the report together. The DoCS echoed his thanks and congratulations to the Finance Team. **Resolved: -** That the Committee • Noted progress in preparing the Authority's 2025-26 unaudited Financial Statements; • Noted the Authority's latest draft core financial statements at Appendix 1; and • Noted that the figures remain subject to final quality assurance and external audit and may therefore change before the audited accounts are presented for approval.
9-26/27	**Risk Management**
	The DoCS presented the report. Lancashire Fire and Rescue Service (LFRS) had continued to strengthen its approach to organisational risk management, aligning policy and practice with ISO 31000:2018, National Fire Chiefs Council (NFCC) guidance, and HM Treasury's Orange Book: Management of Risk – Principles and Concepts. Risk management remained embedded within the Service's governance

framework, supporting ongoing scrutiny, informed decision-making and proportionate allocation of resources to risk treatment.

The Corporate Risk Register reflected a broadly stable overall position:

- Retention and recruitment of on-call staff and replacement of the existing mobilising system remained the highest-rated corporate risks.
- During the latest review cycle, one risk had increased (fuel due to uncertainties with the geopolitical environment), one risk was archived, and two new strategic risks were added relating to the Emergency Services Mobile Communications Programme (ESMCP), Emergency Services Network (ESN) and Local Government Reorganisation (LGR).

During the reporting period, governance arrangements for strategic risk oversight were revised, with scrutiny of the Corporate Risk Register transferring from the Senior Management Team Corporate Programme Board to the Business and Development Board. This change had strengthened the alignment between risk, organisational development and resource planning.

The Service had also continued to develop its risk management framework through closer alignment with HM Treasury's Orange Book. This included enhancements to the Corporate Risk Register to improve visibility of risk treatment requirements, resource implications and associated financial considerations, enabling the financial and value-for-money consequences of risk treatment to be considered alongside operational risk exposure.

In response to a question from the County Councillor P Buckley in relation to the recent heatwave and the potential increase in wildfire events
The ACFO explained that a national tactical approach to wildfires had recently been launched by the Fire Minister and training had been undertaken overseas for members of specialised teams. Lancashire’s Chief Fire Officer was the National Fire Chiefs Council (NFCC) lead for Wildfires. This was a very new national resilience group which recognises the need to be more prepared and responsive to wildfires.

County Councillor P Buckley asked if the 2018 Winter Hill wildfire was affected by the high occurrence of peat in the area. The ACFO explained that composition of the ground was a factor that affected the behaviour of wildfires, as was the increased growth of vegetation that followed wet summers. It was also noted that the Service worked closely with local landowners to encourage them to put in fire breaks. County Councillor P Buckley asked if there would be an entry in the Risk Register to cover this risk, the DoCS explained that the Corporate Risk Register was there to capture strategic risks and the corporate response to these. This would include contingency arrangements required to respond to events such as flooding or wildfires. The ACFO added that the Service received early warnings of wildfires and had the benefits of better equipment and technical innovations to deal with these well.

County Councillor J Ash commented that the majority of wildfires were caused by humans and asked if the Service had plans to launch a campaign to manage or reduce this risk. The Chair commented on discussions being held at Chorley

	Council regarding the protection of public spaces through the use of the 'Public Spaces Protection Order'. The ACFO added that the Service had improved its ability to predict wildfires and the Service worked with partners including the police to prosecute perpetrators which could assist as a deterrent going forwards. County Councillor A Blake asked a question about the new risk, the impact of Local Government Review (LGR) to the Service which he felt to be a higher risk than was captured in the report. The ACFO responded that mechanisms for sharing referrals with partners would shift, as would risk mapping, but further details were awaited. The Chair indicated that it would be mid-July before any indicators of structures started to emerge. County Councillor A Joynes enquired as to why pagers have dropped significantly as a risk. The ACFO explained that the Service was a keen innovator and had been trialling new pagers, the teething issues were now resolved. However, app based mobilising was also being utilised effectively and seemed to be preferred by Firefighters. A decision needed to be made on which system was adopt as the preferred one and whether the other system would become a resilience back up. County Councillor A Joynes asked if one system had more benefits that the other and the ACFO confirmed that the pager probably had greater coverage but it was noted that the IT Department were currently exploring the best mobilisation tools available on the market. **Resolved: -** That the Committee • Endorsed the Service's current risk management arrangements; and • Noted the latest position reflected in the Corporate Risk Matrix and Summary Register at Appendix A.
10-26/27	**Internal Audit - Annual report 2025-26**
	The report was presented by Sarah Oldendorp, Audit Manager. The Internal Audit Annual Report summarised the work undertaken by the Internal Audit Service during 2025-26 and key themes relating to risk management, governance and internal control. It provided the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and internal control. On the basis of the programme of work completed during 2025-26, the Head of Internal Audit confirmed substantial assurance regarding the adequacy of design and effectiveness in operation of the organisation's framework of governance, risk management and control. **Internal Audit Work Undertaken** All 70 of the budgeted days were used to deliver the internal audit plan and all work had been completed. • **Governance, risk management and internal control** Overall substantial assurances were provided regarding the adequacy of design and effectiveness in operation of the organisation's frameworks of governance, risk management and control. Three reasonable and two substantial audits conducted within the year with a low number of resulting actions overall. A summary of actions was provided. Systems and processes were generally working effectively and ensured staff were aware of correct

processes. Action plans were agreed with Senior Managers for issues raised during the year.

- **VAT**
  Substantial assurance was provided. It was noted that the Service had a established and well-structured process for the administration of the VAT return, supported by experienced finance staff and comprehensive procedures and documentation.
- **Treasury Management**
  Reasonable assurance was provided. LFRS demonstrated strong strategic oversight of treasury management, appropriate oversight and effective reporting. However, the absence of approved Treasury Management Practices (TMPs) was discussed with the Deputy Finance Manager during the audit and was now being addressed. It remained a material control gap that must be resolved to ensure full compliance with the CIPFA Treasury Management Code and to strengthen operational resilience.
- **Procurement**
  Reasonable assurance was provided. Lancashire Fire and Rescue Service (LFRS) had made significant progress in strengthening its procurement governance, supported by an increasingly structured framework, improved tools, and a growing alignment with the Procurement Act 2023 (the 2023 Act). The foundations for effective, well-governed procurement activity were in place, and ongoing improvements demonstrate a proactive commitment to enhancing consistency, transparency, and assurance across procurement processes.

It was noted that LFRS had established a strong governance base, with Contract Standing Orders already updated to align fully with the 2023 Act and procurement staff completing training on the 2023 Act. Several supporting documents and tools, such as the newly introduced Process Workflow Guide, revised procurement initiation templates and the implementation of the Chest e-procurement system (the Chest platform), showed a clear direction of travel toward stronger compliance. Work was already underway to refresh remaining documents, including Terms and Conditions, and to update website information to accurately reflect current practice. These initiatives demonstrated a positive and forward-looking approach that would further strengthen organisational clarity, compliance, and governance.

The Procurement Team had taken important steps to modernise its transparency arrangements, with The Chest now established as the primary platform for tendering and publication. This transition represented a significant improvement, with built-in safeguards that support compliance and consistency. While some gaps were noted during the review, such as delays in publishing contract awards and updating the contracts register, staff were already embedding new processes and strengthening record retention practices. Continued adoption of the Chest platform, together with the ongoing population of the live contracts register, would further enhance transparency, assurance, and public confidence.

In response to a question from County Councillor J Ash in relation to group procurement with other public services to get better deals, the DoCS explained that LFRS liaised wherever possible with other areas and there was a very good Blue Light Network.

	County Councillor A Joynes asked when the Treasury Management Plan would be completed. The Deputy Head of Finance explained that this was the next priority after the financial statements were finalised and would be completed by the end of the financial year. **Resolved: -** That the Audit Committee noted and approved the report.
11-26/27	**Internal Audit - Monitoring report**
	Sarah Oldendorp, Audit Manager, presented the report which set out progress against the Internal Audit Plan for 2026-27 for the period ended 15 June 2026. It was brought to the attention of the Committee that it has been agreed previously that the Plan can be flexible in approach. Therefore, it had been decided after consultation with the Deputy Chief Fire Officer (DCFO) not to look at health and wellbeing or contaminants in this cycle as it might be repeating work that had already taken place and would not be the best use of resources. It had been proposed to replace these with reviews of the Complaints Management Process and Protection activity instead. Members were asked to note that the internal auditors had recorded four days of work against the 2026-27 Plan to date, all relating to management activity. The remaining planned audit work had not yet started and no assurance opinions had therefore been issued. The monitoring report asked the Committee to note the proposed replacement of two planned reviews with reviews of the Complaints Management Process and Protection activity. **Resolved: -** That the Committee noted the report.
12-26/27	**External Audit - Audit progress report and sector updates**
	The report presented by Curtis Wallace, Public Sector Audit Manager, provided the Audit Committee with an update on progress in delivering the external audit for 2025-26, together with sector updates on matters of relevance to local government, fire and rescue authorities and audit committees. The report confirmed that the 2024-25 financial statements audit had been completed, with an unmodified audit opinion issued on 17 December 2025. It also confirmed that the detailed risk assessment for the 2025-26 audit was substantially complete, the 2025-26 Audit Plan was presented to the Committee on 26 March 2026, and audit fieldwork was expected to commence between mid-June and early July 2026 following receipt of the draft financial statements. Grant Thornton had indicated that the results of the audit would be shared in the Audit Findings Report, with the aim of issuing the audit opinion on the Statement of Accounts by 30 November 2026. The auditor’s value for money risk assessment for the year ended 31 March 2026 had also been completed and did not identify any risks of significant weakness. The Auditor’s Annual Report was expected by November 2026.

	It was noted that there are no additions to the current engagement fees which were set at £105,900. The sector update included matters for members' awareness, including changes to the His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspection cycle, Chartered Institute of Public Finance and Accountancy (CIPFA) Code changes to the accounting for non-investment assets, CIPFA Bulletin 23 on closure of the 2025-26 financial statements, devolution and local government reorganisation, recent legal and regulatory developments, workforce-related issues and audit committee resources. Audit was progressing well with nothing else to report. **Resolved: -** That the Committee noted the external auditor's progress report and sector updates.
13-26/27	**Date of Next Meeting**
	The next meeting of the Committee would be held on Thursday 1 October 2026 at 10:00 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood. Further meeting dates were noted for 15 December 2026 and agreed for 25 March 2027.

D Howell
Monitoring Officer to CFA

LFRS HQ
Fulwood