



Auditor's Annual Report for South Yorkshire Fire and Rescue Authority

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Year-ended 31 March 2025

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27 November 2025

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Our audit report is made solely to the members of South Yorkshire Fire and Rescue 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 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 2024-25 audit of South Yorkshire Fire and Rescue 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 2024/25 ('the CIPFA Code').



Other information such as the narrative report - 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 7.
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 concluded its audit of the Whole of Government Accounts for the 31 March 2025 financial year, we are unable to confirm that we have concluded our work in this area.
Other powers	See overleaf.

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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.

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.

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.

We have made no recommendations under Schedule 7 of the Act.

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.

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 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

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	9	13	18
Identified risks of significant weakness?	✗ No	✗ No	✗ No
Actual significant weakness identified?	✗ No	✗ No	✗ No
2023-24 Findings	No significant risks identified	No significant risks identified	No significant risks identified
Direction of travel	↔	↔	↔

Value for Money

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. 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.

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Local context

South Yorkshire Fire and Rescue Authority (SYFRA) operates within a dynamic and diverse region, encompassing the metropolitan boroughs of Barnsley, Doncaster, Rotherham and Sheffield.

South Yorkshire is home to over £1.m residents, with a mix of urban, suburban and rural communities. The population is increasing in diversity, aging and includes pockets of severe deprivation.

In terms of key operational risks, in year these focussed on:

- **Fire Risks:** Concentrated housing, including an aging stock, present elevated fire risks.
- **Flooding Risks:** South Yorkshire is increasingly susceptible to flooding, particularly along the River Don and its tributaries.
- **Industrial and Commercial Risks:** The region has significant industrial sectors which require tailored fire prevention and response strategies.
- **Road Traffic Risks:** Major Transport arteries such as the M1, M18 and A1(M) traverse through South Yorkshire, resulting in a high volume of road traffic accidents requiring a response.

SYFRA continues to focus on 5 key priorities, prevention and protection, response and resilience, community engagement, workforce development and environmental sustainability.

The 2024-25 budget was set to report a planned £26k surplus on its revenue budget. The actual surplus achieved was £11k. The budget was set with an efficiency target of 2% (£2.6m) and this target was exceeded with £2.8m efficiencies achieved.

The Capital Programme was initially set at £9m, with an achievement in year of £4.4m

The HM Inspectorate of Constabulary and Fire Services carried out an inspection of SYFRA during 2024-25 and reported in June 2025, in relation to Efficiency, Effectiveness and People. The HMI's findings were that over the 11 areas graded, 5 were assessed as good and 6 adequate.

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.

Financial Planning

- Under the National Framework and CIPFA Code of Practice, the Authority must produce an annual Medium Term Financial Plan (MTFP) covering at least 3 years, aligned to the Community Risk Management Plan (CRMP). This process helps to ensure that the financial plan is aligned to the expectations set out in the Authority's workforce and operational plans.
- The MTFP sets out the framework for understanding the strategic, service and financial challenges the Authority faces. It is a key part of the Authority's Budget and Policy Framework, intended to ensure that financial resources are aligned towards the delivery of the Authority's future objectives and priorities, as well as its medium and longer-term financial sustainability. We have evidenced that the MTFPs for 2024-2027 and 2025-2028 were presented to the relevant committees for review and approval in a timely manner, with appropriate challenge and scrutiny being applied.
- We have also confirmed that the Capital Investment Strategy and Treasury Management Strategy are heavily referenced throughout the MTFPs and the annual budgets, assuring that the approved strategies have been considered and applied throughout financial planning.
- Finance Business Partners meet regularly to monitor overall spend against the agreed budget. As part of these meetings, at the end of Q2 each year, discussions in relation to required spend for the following year's budget will be incorporated, to inform the budget setting process. Budgets are then planned, taking account of the previous years spend, financial pressures identified throughout the current year and inflation rates. Once this initial planning process has finished, these figures are collated into a final MTFP spreadsheet which is reviewed by the Financial Services Manager. This is then issued to and reviewed by the Director of Finance and Procurement and the Senior Leadership Team (SLT), before the figures are presented to the Authority Board for approval.
- The MTFP is used as a base for the annual budget and is then refined up until February, whereby it is approved by the Authority Board. All movements between the MTFP and the annual budget are scrutinised by SLT before being approved. The annual budget for 2024-25 was approved by the Authority Board in February 2024 and included a planned surplus of £0.02m, compared to a planned deficit per the 2024-2027 MTFP of £0.5m. This movement was mainly the result of an increase in government funding settlements. The annual budget for 2025-26 was approved by the Authority Board in February 2025 and included a planned deficit of £1.7m, compared to a planned deficit per the 2025-2028 MTFP of £1.0m. The adverse movement between budget and MTFP mainly related to the NI increase announced between approval of the two papers. From our review of the relevant February Authority Board minutes, it is evident that appropriate scrutiny and challenge is applied over financial budgets.

Financial Sustainability

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- 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.

Financial Planning

- Key assumptions used to produce the MTFP and annual budgets are clearly included within the respective papers that are presented and discussed at the Authority Board meetings in November and February, allowing for challenge and scrutiny of these key budget assumptions, such as assumed pay awards, inflation and government funding.
- Risks in achieving the planned outturn are clearly communicated within the MTFP and annual budget setting process to ensure decision makers have the appropriate information to challenge and approve the plans. These risks to achieving the financial plan are also communicated to the Authority Board through the quarterly Financial Performance Reports presented.

Productivity and Efficiency Plans

- During 2024-25, the Authority has been working on a more formal efficiency programme. This includes the creation of an Efficiency Long List which has been developed through the consultation of middle managers and wider FRA staff and presented to the Director of Finance and Procurement for consideration. The Efficiency Long List includes both income generation and cost saving ideas and is reviewed by SLT on a 6 monthly basis. Feasible projects are accepted and built into the relevant budget revisions. Included within the MTFP were identified savings of £2.2m, which increased to £2.6m within the 2024-25 annual budget. These efficiencies mainly relate to recurrent savings in relation to contracted reductions and non-recurrent savings identified when compared to 2023-24, such as workforce vacancies and underspends seen in prior years.
- Efficiencies that are built into the budgets are then monitored throughout the year and progress updates provided to the Authority Board on a quarterly basis through the quarterly Financial Performance Reports. These include a summary of budget vs actuals in relation to efficiencies / savings, as well as an appendix outlining identified efficiencies / cost saving areas, the budgeted savings compared to those achieved to date and an explanation as to the variance between budget and actual.
- The Fire Authority's 24-25 outturn report in June 25 reported that it had achieved efficiencies totalling £2.8m, which exceeds their target of £2.6m for the year. Of the £2.8m, £0.8m of these were achieved through non-recurrent savings, therefore will not necessarily lead to savings in future years.
- Equality Impact Assessments (EQIA) are carried out when efficiencies are identified that may have an impact on front line services and the quality of delivery. This is a new and developing process that will be embedded through the Asset Management Board (AMB). Given many of the savings delivered to date are underspends against budget, EQIAs have rarely been required historically. As the change projects are implemented across the Authority to deliver efficiencies recurrently, these will require more formal assessment of impact, of which the AMB will oversee this process.

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.

- The Productivity and Efficiency Plan for 2024-25 was presented to the Authority Board in April 2024 and includes an overview of the efficiencies assumed in the annual budget and MTFP, as well as how the Authority is aiming to achieve its productivity targets through various initiatives. The Workforce Investment and Efficiency Plan, covering 2024-2026, was also approved by the Authority Board in October 2024 and outlines proposed workforce investments and efficiencies across a number of teams at the Authority that are then subsequently factored into the annual budgets and MTFPs.

Performance for the Year to Date Against the Financial Plan

- In June 2025, the Authority 24-25 outturn reported a surplus of £11k, representing an adverse variance of £16k compared to the original budgeted surplus of £27k. Through review of the June 25 Outturn Financial Performance Report, it is evident that this update includes sufficient information to summarise the Authority's position, the main factors causing the variance to the original budget and any changes to this budget and impact this had on the reserves of the Authority.

Assessing and Managing Risks to Financial Sustainability

- Through our review of the 2025-26 annual budget and MTFP for 2025-2028, we noted that the Authority is forecasting a deficit of £1m for 2025-26 and, for each of the following 2 financial years, £1.3m in 2026-27 and £1.7m in 2027-28. These forecasts already include forecast efficiencies of 2% and would therefore result in a depletion of reserves to fund the gap to breakeven.
- The reserves balance is forecast to reduce from £19.8m in March 2025 to £14.0m by March 2026. This reduction is mainly driven by the expected deficit of £1.7m in 2025-26 and £3.0m of reserves being used to fund capital. Reserves are expected to decrease by a further £4.7m over the MTFP period to £9.3m by March 2028, of which Useable Earmarked Reserves will be £4.6m, which represents the Minimum Revenue Provision (MRP) to cover the repayment of existing loans and an additional provision for the repayment of shorter life loans. This is in line with the revised Reserves Strategy, whereby the Authority intends to use their reserves over the MTFP period until existing reserves are depleted to the extent of the required Useable Earmarked Reserve remains. The release of reserves will enable the Authority to reduce spending in other areas, such as internal costs where reserves are used to fund capital spend rather than borrowing.
- There are also significant longer-term risks that may impact the longer-term financial position of SYFRA which need to be considered when setting reserves levels, such as inflation and council tax assumptions, changes to assumed workforce planning profiles and the climate of industrial action. These are clearly communicated and have been considered within the Q3 Financial Performance Report, as well as within the MTFP and annual budget.

Financial Sustainability

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- Through our review of the 2025-2028 MTFP, we note that an 'optimism bias' adjustment has been applied to the capital budgets to reflect trends in capital programme delivery. This had the effect of reducing the total capital spend over the MTFP period of £25.5m to £15.3m, which is deemed to be a more realistic achievement based on historical underperformance against the capital programme. We have carried out inquiries of management to confirm whether the under delivery of the capital programme is likely to result in any risks to service delivery and/or health and safety, and how these risks are mitigated. No risks have been identified or flagged for adding to the risk register as a result of this capital slippage.
- From our review of the Corporate Risk Register, we have confirmed that the Audit and Governance Committee discuss strategic, financial and operational risks through their review and challenge of the Corporate Risk Register. We also confirmed that the accompanying front sheet of the report provides a summary of high priority risks to bring to the attention of the Committee and any risk recommended for closure. This report provided assurance that the new online risk register is now fully operational. The September 2025 report included 1 'red' rated corporate risk relating to planning environmental sustainability.

Financial arrangements conclusion

Based on the procedures performed, we have not identified a significant weakness in the Authority's arrangements associated with financial sustainability.

Key financial and performance metrics:	2024-25	2023-24
Planned surplus/(deficit)	£0.027m	(£1.4m)
Actual surplus/(deficit)	(£0.208m)	£1.7m
General Fund Reserve	£19.6m	£19.8m
Gross debt compared to the capital financing requirement	0.66:1	0.72:1
Year-end borrowings	£24.6m	£26.5m
Year-end cash position	£5.2m	£6.3m

Gross debt compared to the capital financing requirement: Authorities are expected to have less debt than the capital financing requirement (i.e. a ratio of under 1 : 1) except in the short term, else borrowing levels may not be considered prudent.

Governance

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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's approach to risk management is outlined in its Risk Management Policy and is used to help identify and assess risks to ensure a consistent methodology is used. As part of the Authority's process, risks are identified through risk discussions and are considered across course, risk categories (strategic, operational, information, reputation, financial, people and regulatory).
- The Corporate Risk Register shows that the Authority has considered the likelihood and impact of each risk with sufficient and appropriate rationale and how the Authority intends to reduce each risk to an achievable risk score. Our review has demonstrated that these documents included sufficient detail and display strong and robust arrangements in place to help identify, assess and monitor financial and operational risk.
- The Authority's approach to risk is also supported by the Corporate Risk Management Strategy and the Corporate Risk Management Framework. Whilst there is clear ownership and accountability for individually identified risks, all staff members are encouraged to contribute towards risk management through training and meetings with management.
- The Authority introduced a new Risk System in 2024-25 and all risks are now captured within this online system.
- The internal Introduction to Risk Management training provides staff with an overview of how risks are managed at the Authority on the new Risk System. This includes an overview of the risk register process, how to identify and monitor risks, and how risk is managed at corporate, project and team levels.
- The Authority operates an effective risk monitoring and reporting system to ensure that there is clear ownership of risk and robust scrutiny and oversight of how risks are managed. The Corporate Management Board (CMB) reviews risk at least quarterly with the combined Service and Authority Corporate Risk Register being reported quarterly to the Audit and Governance Committee.
- The Authority Board is provided with an overview of risk management over the year through the Annual Review of Risk Management Report. This is in accordance with the Corporate Risk Management Strategy, which states: 'An annual report will be provided to the full Fire and Rescue Authority detailing progress made in addressing all risks throughout the year'. This is deemed appropriate given the Audit and Governance Committee has delegated powers 'To monitor the effective development and operation of risk management'.

Decision Making

- There is an overarching committee structure in place in which policies and procedures are continually validated and ratified. All relevant policies and procedures are communicated and made available to staff via the intranet. The Authority has a Code of Conduct for both members and employees, as well as the Authority Constitution which includes the Scheme of Delegation, Contract Standing Orders and Financial Regulations. The Contract Standing Orders and Scheme of Delegation outline both financial limits in place for various processes within the Authority, as well as operational delegations to ensure both financial and non-financial authorisations and reviews are escalated appropriately. The Constitution has been updated in June 2025 to reflect recent changes.

Governance

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

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- 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.

Decision Making

- The Authority's management structure is outlined within Part 4 of the Constitution and provides a clear and detailed overview of the roles and responsibilities of each decision-making body within the management structure (Executive Team, Senior Leadership Team and Corporate Management Board), as well as their supporting boards (Community Risk Management Plan Board, Service Delivery Board, People Board, Service Improvement Board and Asset Management Board). We deem the Authority to have an appropriate structure in place to enable informed decisions to be made and performance to be scrutinised at the correct setting.
- We note that the current Constitution still refers to the roles and responsibilities of Barnsley Metropolitan Borough Council (BMBC) officers. From 1 April 2025, all services carried out by BMBC will be brought back in-house to the Authority and therefore a clear outline of roles and responsibilities of the individuals/committees taking on these additional services across the organisation should be communicated in a timely manner and ahead of the SLA ending, to ensure a smooth transition in both financial and governance processes.
- We have reviewed relevant Committee and Authority Board minutes as well as the supporting papers throughout the financial year. We are satisfied that there is sufficient ability for Committee and Authority members to take informed decisions based upon the detail provided in the papers presented. These papers also demonstrate that with regard to financial risks reported and recommendations made, there are detailed discussions occurring to challenge and analyse the information being presented.
- Agenda items are accompanied by front sheets offering a summary of the paper and are tailed with a section outlining the relevance to the Authority's aspirations and to service improvement, as well as any delegations required and implications identified. The summaries included are appropriate and provide a concise high-level overview of the paper, so relevant committee members are able to identify the key messages discussed in the wider report.
- The Authority has a comprehensive business case process to make informed decisions. Business cases are supported by a relevant Service or Project Board before being reviewed and approved by the Executive Team and Asset Management Board. The business case process is supported by templates and guidance. For each business case, the preparer of the template must outline their proposed business case and outline 3 possible solutions as well as a 'do nothing' option. Within each of these options they must outline an overview, objectives, timeframe, costs, benefits and risks. The business case must also include details of the proposed financial impacts and the split between capital and revenue. Through discussions with management and review of approved projects in year, we confirmed that there have been no significant business cases approved during the 2024-25 year.

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.

Budget Monitoring

- We found that the budget monitoring and control processes were able to identify and incorporate significant pressures into the financial plan to ensure it was achievable and realistic. The budgets for 2024-25 and 2025-26 were constructed based on appropriate local and national developments and we saw evidence of appropriate review and sign-off.
- Finance Business Partners review each budget on a monthly basis, and any variance is discussed with the budget holder. The budget statement viewable by budget holders includes details of the annual budget allocated and the current month and year-to-date (YTD) budget compared to current month and YTD actuals for each cost centre to identify specific areas where cost improvement needs to be reviewed. Meetings are not documented via meeting minutes, however narrative including any agreed actions to resolve negative variances on budget and forecasts are documented within the comments section of Integra.
- Financial performance is reported to the Asset Management Board and then directly to the Authority Board on a quarterly basis in the form of a Financial Performance Report. The quarterly Financial Performance Reports include an executive summary to provide an overview of financial performance from a revenue, capital and reserves perspective. The detailed report provides the Authority with an update on financial performance, including forecast outturn and variances to budget, as well as an update on reserves, efficiencies, progress against the capital programme and an overview of all adjustments to the budget since the original budget was approved. Supporting appendices provide a clear overview of the narrative noted within the body of the report and include explanations of all variances in each relevant appendix.
- The Authority Board has been kept informed of the funding arrangements in place for 2024-25. We have also confirmed through our review of the MTFP, annual budget, financial performance reporting and the 2024-25 outturn reporting, that risks to the achievement of the financial targets are regularly monitored and reviewed throughout the year. The Quarterly Financial Performance Reports provide an update to members on where progress is up to year-to-date and any significant risks that may impact the achievement of both the budget for the year in question, and the MTFP from both a revenue, capital and reserves perspective.

Compliance with Laws and Regulations

- Through our review of the Scheme of Delegation, Financial Regulations, Financial Procedures and Contract Standing Orders, we are satisfied that these detail the roles, responsibilities and delegation of key officers and Committees / Groups, thus detailing appropriate processes to ensure officer compliance.
- As part of the Government's commitment to greater transparency, the Authority is required to regularly publish procurement information. This means the Authority publishes details on their website of all contracts over £5,000. The Contracts Register is updated on a quarterly basis and can be seen on the Authority's website.

Governance

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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.

Compliance with Laws and Regulations

- Codes of Conduct are in place for Fire Authority Members and all Service staff that set out the behaviours expected of all employees and reinforce its values and standards. A range of policies, procedures and strategies, which staff are made aware of and adhere to through awareness and training, are available to be viewed on the Authority's website. The Appeals and Standards Committee is equipped to deal with any breaches of ethics / behaviour through the Arrangements for Dealing with Breachers of the Code document included within Part 6c of the Constitution.
- The Gifts, Hospitality and Discounts Policy provides guidance on receiving gifts, discounts and hospitality. All offers of gifts or hospitality, other than those which are permitted in the Gifts and Hospitality Policy, must be entered on the Register of Gifts and Hospitality. The register is reviewed on a quarterly basis by the Chief Fire Officer and is subject to periodic review by Internal Audit.
- Through inquiries of management, we have confirmed that there have been no reported significant or repeated departures from key regulatory or statutory requirements, as well as no departures from professional standards such as the CIPFA Financial Management Code, Prudential Code or Treasury Management Code. This has also been confirmed through our review of the Q3 Treasury Management Report in which compliance is reported to the Audit and Governance Committee on a quarterly basis.
- The Anti-Fraud and Corruption Strategy includes reference to the Bribery Act and aligns itself with the relevant policies and procedures in place at the Authority, such as the Anti-Fraud and Corruption Policy, Anti-Bribery Policy, Fraud Response Plan and Whistleblowing Policy. These policies are all included within the Constitution and provide useful knowledge for all staff with details of channels of communication and processes to follow for anyone who has concerns or suspicions of malpractice.

Governance arrangements conclusion

Based on the procedures performed we have not identified a significant weakness in the Authority's arrangements associated with governance.

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;
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- 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.

Findings	2024-25	2023-24
Significant Control deficiencies reported in the Annual Governance Statement	None	None
Head of Internal Audit Opinion	Adequate and Effective	Adequate and Effective
HM Inspectorate of Constabulary and Fire and Rescue Services (HMI) rating; ** The HMI have assessed the Fire service over 11 graded areas to assess effectiveness, efficiency, and how well it looks after its people **	** 5 Areas were graded Good 6 Areas were graded Adequate No areas graded Requires improvement. **	** Effectiveness: Requires Improvement Efficiency: Requires improvement People Good **
Local Government Ombudsman findings	None	None
** The HMI have changed the grading system, although Effectiveness, Efficiency, and People are assessed they are now assessed in a more granular detail with 11 areas graded. These were the same areas in earlier assessments, however the grading was provided at the higher level, so a direct comparison is not possible.**		

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.

Identification of Cost Savings

- Management monitors cost performance via the budget monitoring process in which explanations are obtained for year-on-year movements as well as variances between budget and actuals. Procurement also tracks actual costs vs previous procurement / budget and also vs other quotes received to ensure any areas for improvement are identified.
- The Authority has taken part in a National Fire Chiefs Council (NFCC) benchmarking exercise during the year which will provide comparative data for other Fire and Rescue Services in England. Where potential cost savings are identified, these are fed into the efficiency long list of opportunities for future savings. We have reviewed guidance provided in relation to the NFCC benchmarking exercise and outputs of this exercise. For 2025-26, the Authority now has two years of data from the benchmarking exercises carried out which has been used to help the Senior Leadership Team (SLT) decide which areas to focus on alongside operational areas to ensure savings are considered in a proportionate and fair way across the organisation. Relevant presentations to aid these decisions have been presented to SLT during the year.

Non-Financial Performance Monitoring

- The Authority has a Corporate Performance Management Policy in place which provides a framework for effective performance management. We note that the policy was due for renewal in December 2020 and we have queried this with management. It was confirmed that the policy is still under review and due to come into effect in 2025-26.
- The Performance Management Framework ensures that key performance measures and targets are regularly reported to the Performance and Scrutiny Board so they can measure progress in delivering outcomes. Operational performance is evaluated against key standards identified by the HM Inspector of Fire and Rescue Services (HMICFRS) which are incorporated into the Authority's performance measures.
- Seasonal Variable Tolerances (SVTs) have been used for many of the operational performance measures, based on individual monthly averages over the previous three years. This gives a better indication throughout the year as to whether a measure is performing as expected.
- Quarterly Corporate Performance reports are presented to the Performance and Scrutiny Board, and an Annual Corporate Performance Report is presented to the Performance and Scrutiny Board and the Authority Board.

Improving economy, efficiency and effectiveness

DRAFT

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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.

- Through our review of the 'Corporate Performance' reports presented to the Performance and Scrutiny Committee throughout the year, we confirmed that a high-level summary of all 9 corporate performance measures was provided and detailed how many were performing below, within and above the set tolerances for each indicator. For those that were performing within or below the lower tolerance levels, these were then reported on by exception and a more detailed commentary provided as to the actual performance against target and any identified explanations for these variances. The reports also cover a detailed review of performance per District (Barnsley, Doncaster, Rotherham and Sheffield).
- Performance reports are also available for all employees to view using Microsoft PowerBI reporting software, ORCA, which also includes benchmarking against the other Metropolitan Fire and Rescue Services.

Monitoring of Outsourced Services

- The Authority does not outsource any significant services in relation to the delivery of its primary activities. However, they do have a Service Level Agreement (SLA) with Barnsley Metropolitan Borough Council whereby BMBC provides assistance to governance, finance, people and legal functions within the Authority. This SLA terminated on 1 April 2025 after the Authority Board approved to bring the SLA functions back in house in June 2024.
- Monthly project meetings have been established with Function heads, with the first meeting being held in July 2024. To support a smooth transition, each function head was asked to create a task list and timeline for bringing their functions in house and to log the risks to delivery of the SLA in house.
- Updates have been provided to each Authority Board meeting on progress of the SLA transition from August 2024. We have confirmed through our review of minutes that progress reports were presented at each subsequent Authority Board meeting, with the latest progress report being presented in February 2025 in relation to progress to date in January 2025. We therefore determine that the Authority Board is provided with suitable and appropriate updates in a timely manner to make informed decisions and track the progress of the transition.

Improving economy, efficiency and effectiveness conclusion

Based on the procedures performed we have not identified a significant weakness associated with the Authority's arrangements for improving economy, efficiency and effectiveness.



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