



Cumbria Commissioner Fire and Rescue Authority

Interim Auditor's Annual Report
Year ending 31 March 2025

25 February 2026



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

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01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for **Cumbria Commissioner Fire and Rescue Authority** during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Fire and Rescue Authority (the Authority) are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

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

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

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

Auditor's powers

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

These powers are set out on page 8 with a commentary on whether any of these powers have been used during this audit period.

Value for money

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

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

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

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

02 Executive Summary

Executive Summary – our assessment of value for money arrangements

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

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	A No significant weaknesses in identified, but five improvement recommendations were raised.	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified; one improvement recommendation retained in relation to developing a savings and transformation programme.
Governance	R Significant weakness identified in relation to cyber security and disaster recovery arrangements; six improvement recommendations raised.	One risk of significant weakness identified in relation to cyber security and disaster recovery arrangements at the planning stage of the audit.	A Notable improvement has been made during 2024/25. We have concluded that sufficient progress has been made to remove the key recommendation and have replaced with an improvement recommendation to ensure sustained improvement.
Improving economy, efficiency and effectiveness	A No significant weaknesses identified, but one improvement recommendations raised in relation to estates governance.	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified; one improvement recommendation raised in relation to developing a partnership register and have included commentary in respect of the recent HMICFRS inspection.

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

Executive Summary

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



Financial sustainability

The Authority has approved a balanced revenue budget for 2025/26 and a balanced Medium Term Financial Plan ("MTFP") covering the five years to 2029/30. While legacy funding issues persist, financial planning has improved. Funding uncertainty remains due to SLA disaggregation, and a formal savings and transformation plan is being developed, overseen by the Expenditure Management Group (EMG).

The MTFP aims to restore the General Fund by 2029/30 through £1.134 annual cuts and £250k recurrent savings from 2026/27. We have re-raised our prior year improvement recommendation. The MTFP reflects workforce and capital strategies, including net zero commitments. Key budget pressures include increased on-call firefighter pay. Financial risks are monitored quarterly, with robust scenario planning in place.

No significant weaknesses have been reported.



Governance

The Authority has arrangements in place to manage risk and internal controls, set and monitor budgets, make properly informed decisions and ensure appropriate standards are in place.

Governance collaboration has improved through shared roles and the creation of the Executive Board, Working Together in January 2025. The Head of Internal Audit gave "Reasonable" assurance on the adequacy and effectiveness of governance, risk management, and control for 2024/25.

Notable improvement has been made during 2024/25. We have closed our prior year key recommendation on the Corporate IT Disaster Recovery Plan, and 11 improvement recommendations have been implemented.

No significant weaknesses have been reported.



Improving economy, efficiency and effectiveness

The Authority has a performance framework aligned with national standards. KPIs are regularly reviewed, with increased focus on benchmarking. His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) July 2025 inspection showed improvement, but further action is required. Progress on previous Areas for Improvement (AFI) is tracked transparently. We have included commentary in the findings section of our report but have not raised further improvement recommendations in this area as the Authority is drafting an improvement plan.

We identified an opportunity for improvement through the development of a Partnerships Register to strengthen oversight of collaborative arrangements.

No significant weaknesses have been reported.

Executive summary – auditor’s other responsibilities

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

Auditor’s responsibility

2024/25 outcome

Opinion on the Financial Statements

We have completed our audit of your financial statements and will be issuing a disclaimer of opinion (due to the disclaimer of opinion issued in 2023/24), following the Joint Audit Committee meeting on 24 February 2025. Our findings are set out in further detail on pages 9 to 11.

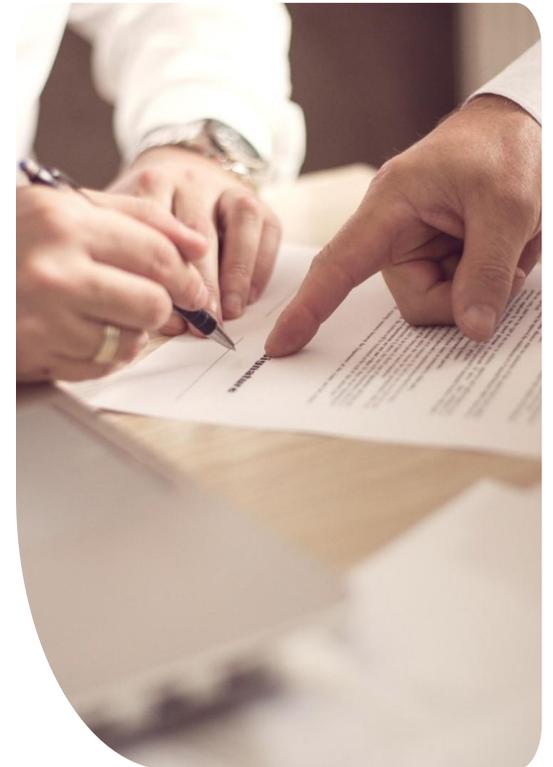
Use of auditor’s powers

We did not make any written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.

We did not make an application to the Court or issue any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014.

We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We did not identify any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.



03 Opinion on the financial statements and use of auditor's powers

Opinion on the financial statements

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

Audit opinion on the financial statements

We have completed our audit of your financial statements and will be issuing a disclaimer of opinion (due to the disclaimer of opinion issued in 2023/24), following the Joint Audit Committee meeting on 24 February 2025. The full opinion is included in the Authority's Annual Report for 2024/25, which can be obtained from the Authority's website.

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

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

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

Findings from the audit of the financial statements

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

Draft financial statements were of a reasonable standard and supported by detailed working papers.

- The disclaimer of opinion will be issued in line with the national timetable
- We identified four adjustments to the financial statements as well as several disclosure adjustments, which were updated by management.
- We identified 8 recommendations, 3 of which we considered to have a significant effect on the control system of the Authority.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report will be presented to the Authority's Joint Audit Committee on 24 February 2026. Requests for this Audit Findings Report should be directed to the Authority.

Other reporting requirements

Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice 2024/25 on Local Authority Accounting, or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to consider whether the Annual Governance Statement does not comply with 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit.



04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

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

The Authority is the statutory governing authority responsible for overseeing fire and rescue services across Cumbria. The Authority operates under a Police, Fire and Crime Commissioner (PFCC) model. The PFCC directs the purpose, objectives, priorities and values of the Authority and are responsible for the provision of an effective and efficient Fire and Rescue Service. Cumbria Fire and Rescue Service (the Service) carries out day-to-day operations, whilst the Authority sets the strategic direction for the Service and is responsible for governance and oversight of the Service.

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

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



Financial sustainability

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



Governance

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



Improving economy, efficiency and effectiveness

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

Financial sustainability – commentary on arrangements

We considered how the Authority:	Commentary on arrangements:	Rating
<p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>The 2025/26 Budget, Medium Term Financial Plan (MTFP), Reserves Strategy, and Charging Policy were approved by the Commissioner in February 2025, following scrutiny by the Police, Fire, and Crime Panel (PFCP) in January 2025. The MTFP spans a five-year period from 2025/26 to 2029/30 and is subject to annual review. The Authority used reasonable assumptions in its budget planning and MTFP. It set a balanced budget of £30.1 million for 2025/26, which included the use of £365k from the General Fund and required no additional savings. The Authority’s main funding challenge stemmed from legacy issues associated with its separation from the County Council. However, it has made notable progress in understanding its budget, particularly during its second budget-setting cycle. The net revenue expenditure for 2024/25 was £30.13m, which was £0.33m (1.07%) below the revised approved budget of £30.46m. This surplus was moved to General Fund Reserve (£5.35m) which set it above the prudent minimum level of reserves of £4.3m. The budget and MTFP also account for new spending pressures, the most significant being an £899k increase due to changes in on-call firefighter pay grades.</p>	<p>G</p>
<p>plans to bridge its funding gaps and identify achievable savings</p>	<p>In 2024/25, the Authority delivered efficiencies of £1.695m compared to a planned £1.033m of which £670k were recurrent and related to vacant posts.</p> <p>For 2025/26, the Authority forecasts £1.161m in planned savings, with £975k being recurrent, which are built into the 2025/26 budget. The Authority continues to face funding uncertainties, particularly as it disaggregates from SLAs with unitary authorities. A formal savings and transformation plan is in the process of development and will be monitored by the Expenditure Management Group (EMG). We have re-raised the improvement recommendation made last year. Further details can be found on the following pages of our report.</p>	<p>A</p>

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

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	The Authority's 2025/26 budget and MTFP are aligned to the risks and priorities set out in the Community Risk Management Plan (CRMP) 2024-2028 and the Commissioner's Police, Fire and Crime Plan 2025-2029. The Executive Board Fire reviewed the budget timeline in August 2024, confirming that corporate strategies inform the MTFP and Capital Programme. Now in its third-year post-disaggregation from the County Council, the Authority has submitted benchmarking data for 2023/24 and 2024/25, enabling year-on-year budget analysis and comparison with similar organisations.	G
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	The 2025/26 budget and MTFP take into account strategies, which have a potential impact on the use of resources by the Authority, including alignment with the CRMP 2024-2028. The Authority has drafted a Workforce Plan and is aligned to the costed establishment in the MTFP. The Capital Investment Strategy (CIS), approved in February 2025, outlines annual Estates and Fleet requirements across the MTFP period. Net zero and climate change costs are embedded within both the Fleet & Assets Strategy and the Estates Strategy.	G
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	Risks to financial resilience are reported through quarterly monitoring to the Police, Fire and Crime Panel, and internally to the Service Leadership Team and Executive Board – Fire. These reports highlight pressures such as forecast overspends, pay awards, and emerging operational demand. The Authority's 2025/26 budget and MTFP incorporate robust sensitivity analysis, scenario planning, and a risk assessment matrix to test key assumptions and evaluate the impact of changes in income, expenditure, or service demand.	G

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

Financial sustainability

Area for Improvement: savings and transformation programme

Key Finding: The Authority does not have a formal savings and transformation programme.

Evidence: We made a recommendation in our 2023/24 Auditor's Annual Report around the Authority developing a Savings and Transformation Programme. During 2024/25, we established that savings were monitored through the Expenditure Management Group (EMG), which met monthly and included savings and efficiencies as a standing agenda item. However, the EMG focused solely on identifying further efficiencies and operated without a formalised plan.

The MTFP requires £1.134m annual budget reductions and £250k (around 0.8% of total net revenue expenditure) in recurrent savings from 2026/27 to 2029/30 to restore the General Fund to a prudent level by the end of the MTFP period. No new savings are planned for 2025/26 beyond those already embedded in the budget. We note, the EMG has begun engaging with budget holders to identify achievable savings, with outputs expected to inform the October 2025 budget cycle.

Impact: The absence of a formal savings and transformation programme limits the Authority's ability to strategically plan and deliver sustainable financial efficiencies. This may hinder its capacity to meet future financial challenges and achieve the savings required under the MTFP, especially as the Authority disaggregates from SLAs with the unitary authorities.

Improvement Recommendation 1

The Authority should develop a savings and transformation programme and ensure it is monitored by the Expenditure Management Group and reported to the Police Fire and Crime Panel quarterly.



Governance – commentary on arrangements

We considered how the Authority:	Commentary on arrangements:	Rating
monitors and assesses risk and how the Authority gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	<p>The Authority has established arrangements to identify and manage risk, supported by its Risk Management Framework and the OPFCC Risk Management Strategy 2023 - 2026. A Corporate Risk Register (CRR) is maintained outlining strategic risks to the Authority and is reviewed quarterly by the Senior Leadership Team and the PFCC via Executive Board – Fire. The OPFCC maintains a Strategic Risk Register, outlining strategic risks to the PFCC, monitored by the Executive Board. Both registers are submitted to the Joint Audit Committee (JAC) twice annually for oversight.</p> <p>The Head of Internal Audit provided a “Reasonable” opinion on the framework of governance, risk management and control in its overall adequacy and effectiveness for 2024/25. Reporting also provides an update on the status of actions arising from recommendations made in internal audit reports. The Authority has an Anti-fraud and Corruption Strategy along with a Whistleblowing Policy in place and an annual review of effectiveness of anti-fraud and corruption arrangements is completed. Reporting to JAC in June 2025 confirmed there had been no fraud or allegations, concluding that systems in place were operating effectively.</p>	G
approaches and carries out its annual budget setting process	<p>The Authority has a budget setting process in place which includes internal and external consultation. The Executive Board - Fire reviewed the budget setting timeline in August 2024. The PFCC launched a public consultation via an online survey which closed at the end of January 2025. The 2025/26 Budget and MTFP were taken to the PFCC in January 2025 for scrutiny and formally approved by the PFCC at the February 2025 Public Accountability Conference (PAC). Budget holders follow a monthly reporting timetable issued by Finance, ensuring timely and transparent financial oversight.</p>	G

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

Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>The Authority reported on its financial performance quarterly to the SLT and Executive Board – Fire, providing clear explanations of significant variances and key issues on the revenue and capital budgets. Summary updates were also presented to the Police Fire and Crime Panel each quarter. Treasury management reporting was carried out quarterly to SLT, Executive Board - Fire and JAC covering cash flow balances, investment forecasts, compliance with treasury and borrowing strategies, and key prudential indicators. The Annual Governance Statement and Draft Statement of Accounts for 2024/25 were produced on time and presented to SLT, Executive Board – Fire, and JAC. To support financial resilience, the Authority reviewed its finance team capacity in 2024/25 and approved a new permanent post, with recruitment planned by October 2025.</p>	<p>G</p>
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>The OPFCC and Authority has arrangements in place to ensure that appropriate and properly informed decisions are made; documented within the Joint Corporate Governance Framework and detailed within the Decision-Making Policy. Executive Board, JAC and Police, Fire and Crime Panel receive clear, well-structured reports enabling effective discussion, scrutiny and challenge. Key decisions made by the OPFCC are published online in accordance with requirements of the Police Reform and Social Responsibility Act 2011. The JAC met four times in 2024/25 and demonstrated effective oversight in line with CIPFA guidance. Its terms of reference were last reviewed in February 2025, and minutes show evidence of appropriate challenge. Attendance was consistent, with no concerns over turnover. Governance collaboration has improved through shared roles and the creation of the Executive Board Working Together in January 2025.</p>	<p>G</p>

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

Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p>	<p>The OPFCC and Authority have clearly defined the key officers’ roles, supported by Codes of Conduct and policies and procedures to ensure compliance with legal and regulatory compliance. The Joint Corporate Governance Framework reviewed in November 2024 outlines governance across the PFCC, Fire Authority, and Chief Constable. Registers of interests and gifts/hospitalities are maintained, and all Authority officers follow the Core Code of Ethics for Fire and Rescue Services. Ethical standards are further promoted by the Community Scrutiny Panel, which meets quarterly and reports annually on complaints, misconduct, and grievances. Whistleblowing arrangements were reviewed in July 2024, with no fraud or misconduct reported in 2024/25, providing assurance of effective controls.</p> <p>The Authority’s Sustainable Procurement Strategy (2024–2026), approved in May 2024, outlines CFRS’s approach to achieving value for money and supporting sustainable development. Following the April 2023 governance transfer, a joint procurement arrangement with Cumbria Constabulary began in June 2025, with the Constabulary’s commercial team now leading procurement for the Service. New Contract Procedure Rules and a joint Procurement Strategy are being developed to reflect the Procurement Act.</p> <p>In response to a key recommendation raised in 2023/24, the Authority has made significant progress in addressing the previously identified significant weakness in IT security and disaster recovery and we have concluded to close the key recommendation. However, there are risks associated with implementing the joint DDaT function with Cumbria Constabulary by April 2027. We have therefore raised an improvement recommendation in this area.</p>	<p>A</p>

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

Governance (continued)

Area for Improvement: Cyber security and disaster recovery arrangements

Key Finding: The Authority has made notable progress in strengthening its cyber security and disaster recovery arrangements. However, risks remain in delivering the planned transition to a joint Digital Data and Technology (DDaT) function with Cumbria Constabulary by April 2027.

Evidence: In 2023/24, we identified a significant weakness in the Authority's cyber security and disaster recovery arrangements, which are managed under a Service Level Agreement (SLA) with Cumberland Council. This was based on an IT Health Check conducted by NCC Group in May 2023, which raised 87 recommendations – 22 of which were high risk, including seven compromise risks. The Authority's risk register has included a risk around cyber security (through its ICT provider) since the NCC report was issued, we note it still has the maximum risk score of 25 as at July 2025.

We confirmed the Authority has made improvements in its cyber security arrangements and reported no data breaches or cyber incidents in 2024/25. A strategic lead for DDaT and a new business continuity lead have been appointed. A draft DDaT Disaster Recovery Plan submitted in July 2025 is being aligned to ISO 22301 and expected to be approved by the Executive Board – Fire by October 2025. The Authority has actively managed the SLA with Cumberland Council, participated in monthly Information Security meetings, and established a DDaT Board that meets every 4–6 weeks.

In April 2025, the Executive Board – Fire reviewed the ICT SLA and approved a phased ICT disaggregation programme. The programme aims to transition to a shared DDaT function with Cumbria Constabulary by April 2027 with the establishment of a Programme Board. A new risk has been identified with a score of 20 highlighting concerns regarding programme management capacity. This reflects the Authority's ability to deliver complex, interdependent projects with limited resources and expertise. We acknowledge the work the Authority has made to date to address the significant weakness and therefore conclude that the key recommendation is removed. We have raised an improvement recommendation to ensure adequate arrangements are fully developed.

Impact: There is a risk that the Authority may not fully implement the shared DDaT function with the Constabulary by April 2027 leading to potential cyber security incidents.

Governance (continued)

Improvement Recommendation 2

The Authority should ensure it has appropriate arrangements in place throughout the transition of its DDaT function into a shared arrangement with Cumbria Constabulary by 1 April 2027, it should:

- approve the programme delivery plan and ensure the Programme Board has appropriate oversight over progress with escalation routes to Executive Board Working Together;
- ensure that the Programme Board overseeing the shared DDaT function includes capacity monitoring as a standing agenda item;
- continue to monitor the Cumberland Council SLA to ensure cyber security risks are minimised and review its systems and stop using those which present a high-risk threat to the Service's ICT security; and
- develop a Data Quality Policy.



Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Authority:	Commentary on arrangements:	Rating
uses financial and performance information to assess performance to identify areas for improvement	<p>The Authority has an established Performance Management Framework aligned with its Community Risk Management Plan (CRMP), which defines how performance is managed and used to drive change and improvement across the Service. Service KPIs are developed in line with the priorities set out in the Fire and Rescue National Framework for England and the reporting requirements of HMICFRS. These KPIs are reviewed by the SLT, which is responsible for setting annual performance targets. Performance monitoring reports are provided monthly to Executive Board - Fire and quarterly to PAC. These reports incorporate some benchmarking to the latest regional or national data, but as the Authority's financial position has improved, the Commissioner has asked for more comparative information to come forward in performance meetings. We have provided some further insights around performance monitoring, shown on page 27 of our report.</p>	G
evaluates the services it provides to assess performance and identify areas for improvement	<p>In July 2025, HMICFRS published its third assessment of the Authority's effectiveness and efficiency, noting improvements made since the 2022 inspection. Following the 2022 inspection, the Authority prepared an action plan detailing how Areas for Improvement (AFI) were being actioned, which is published and kept up to date on the PFCC's website. Progress on HMICFRS action plans is monitored by Executive Board – Fire with individual action summary sheets maintained for every AFI raised which includes key information such as the assigned project lead, current status, a summary of the issue, actions taken to date, outcomes achieved, planned future actions, supporting documentation, and lessons learned, ensuring transparency.</p> <p>In the latest inspection, we note that five areas were rated as good but six were rated as “requires improvement”. We have not raised an improvement recommendation in this area as a plan is currently being drafted in response to it, but this was not available at the time of our review. Further details are shown on page 24.</p>	A

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

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

We considered how the Authority:	Commentary on arrangements:	Rating
<p>ensure they deliver their role within significant partnerships and engages with stakeholders they have identified, in order to assess whether they are meeting their objectives</p>	<p>The Authority actively engages with a range of regional and local partners, including NW Fire Control Ltd, which manages 999 emergency calls and mobilises resources across four Fire and Rescue Services. Partnership arrangements are reviewed through the Executive Board – Fire, ensuring oversight and alignment with strategic priorities. In 2024/25, the Commissioner conducted a six-week public consultation on the proposed priorities for the Cumbria Police Fire and Crime Plan (CPFCCP) 2025–2029, receiving 1,290 responses. Following this, the Authority reviewed and aligned its CRMP 2024–2028 to the CPFCCP. This alignment led to the establishment of the Executive Board Working Together, which drives strategic and operational collaboration between Fire and Policing. While collaboration is strong, the HMICFRS inspection identified a gap in partnership oversight. We have raised an improvement opportunity to develop a partnership register, supporting better oversight and alignment with strategic goals.</p>	<p>A</p>
<p>commissions or procures services, assessing whether it is realising the expected benefits</p>	<p>A formal joint procurement arrangement with Cumbria Constabulary was established on 1st June 2025. The Head of Commercial Service is currently reviewing the Contract Procedure Rules and Procurement Strategy to reflect this collaboration and to ensure compliance with the regulation of the Procurement Act 2023. Responsibility for contract management has now transitioned to the Constabulary’s Procurement Team. These arrangements will be followed up as part of our review next year. The Authority continues to monitor Service Level Agreements (SLAs) with Unitary Councils via the Executive Board – Fire.</p>	<p>G</p>

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

Improving economy, efficiency and effectiveness (continued)

Commentary: HMICFRS Report

In the 2023-2025 report, HM Inspector reports their satisfaction on some aspects of the performance of Cumbria Fire and Rescue Service in keeping people safe and secure from fire and other risks. The report notes good progress against several areas for improvement identified in the last inspection. For example, consulting the local community to build a comprehensive profile of risk, and putting in place an effective process to adopt national operational guidance. But there are areas reported where the service needs to improve. In particular, it needs to upgrade its IT provision to improve efficiency, productivity and oversight, strengthen its evaluation of prevention work and improve its monitoring of staff working hours.

Their judgements are summarised in the table below:

Outstanding	Good	Adequate	Requires improvement	Inadequate
	Understanding fire and risk		Preventing fire and risk	
	Public safety through fire regulation		Best use of resources	
	Responding to fires and emergencies		Promoting values and culture	
	Responding to major incidents		Right people, right skills	
	Future affordability		Promoting fairness and diversity	
			Managing performance and developing leaders	



His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) independently assesses the effectiveness and efficiency of police forces and fire and rescue services in the public interest.

They:

- Inspect and monitor the 43 territorial police forces in England and Wales reporting on their effectiveness, efficiency and legitimacy via PEEL assessments
- Work with other inspectorates within criminal justice and more broadly to address problems involving more than one agency. For example, the programme of police custody inspections with the Care Quality Commission (CQC)
- Assess and report on the efficiency, effectiveness and people of the 44 fire and rescue services in England.

External Auditors consider the outcome of PEEL assessments when performing our VFM work. Particularly in assessing Police Bodies' arrangements to assess performance and identify areas for improvement in outcomes.

Improving economy, efficiency and effectiveness

Area for Improvement: Partnership working

Key Finding: The Authority does not currently maintain a Partnership Register, which limits its ability to fully monitor, evaluate, and realise the benefits of its formal and informal collaborations. This gap was highlighted by HMICFRS, which recommended improved oversight of partnership activities to ensure strategic alignment and value delivery.

Evidence: The Authority engages in both formal and informal partnerships with regional and local organisations, including Cumbria Constabulary and other fire services. It leads the Cumbria Water Safety Forum and the Cumbria Road Safety Partnership, coordinating multi-agency efforts to reduce fatalities and injuries through data-driven campaigns, enforcement, education, and engineering

Impact: A register of all partnerships, would help the Authority maintain transparency, manage risks, track obligations, ensure all partnerships align with strategic goals, and ensure all potential benefits are being realised. It would also improve coordination and enable better decision-making by providing a clear overview of all external relationships, both formal and informal.

Improvement Recommendation 3

The Authority should develop and maintain a comprehensive Partnership Register to improve transparency, coordination, and oversight of all formal and informal partnerships. This will help ensure strategic alignment, manage risks, and maximise partnership benefits.



Grant Thornton insights – learning from others

The Authority has the arrangements we would expect to see in respect of performance monitoring, but could challenge itself to go further, based on the best arrangements we see across the sector



What the Authority is already doing

- The Authority presents detailed performance reports to the Public Accountability Conference, which allows the Commissioner to scrutinise the Fire & Rescue Service's performance in an open and transparent environment.
- These reports include 22 non-financial KPIs detailing 4 thematic: Response, Protection, Prevention, and Service Absence. KPIs are aligned to the priorities of the Fire and National Framework for England and HMICFRS reporting requirements.



What others do well

- Other authorities present performance reports along with financial monitoring reports.
- Financial data provides essential context that helps explain why certain performance outcomes were achieved or missed. Thus, providing a more holistic view of an Authority's effectiveness and resource utilisation.



The Authority could consider

- Including financial information along with performance reports to the Public Accountability Conference.

05 Summary of Value for Money Recommendations raised in 2024/25

Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
IR1	The Authority should develop a savings and transformation programme and ensure it is monitored by the Expenditure Management Group and reported to the Police Fire and Crime Panel quarterly.	Financial Sustainability (page 17)	<p>Actions: A detailed savings and efficiency plan will be developed as part of the budget process for 2026/27. It is intended that progress in respect of Efficiencies and savings will be included in the quarterly monitoring report that goes to SLT, EB Fire and is summarised to Police Fire and Crime Panel.</p> <p>Responsible Officer: Steven Tickner</p> <p>Due Date: Starting with Quarterly reporting for Q2 2025-26</p>

Improvement recommendations raised in 2024/25 (continued)

Recommendation	Relates to	Management Actions
<p data-bbox="198 425 963 572">The Authority should ensure it has appropriate arrangements in place throughout the transition of its DDaT function into a shared arrangement with Cumbria Constabulary by 1 April 2027, it should:</p> <ul data-bbox="198 591 963 1112" style="list-style-type: none"> <li data-bbox="198 591 963 738">• Approve the programme delivery plan and ensure the Programme Board has appropriate oversight over progress with escalation routes to Executive Board Working Together. <li data-bbox="198 748 963 862">• Ensure that the Programme Board overseeing the shared DDaT function includes capacity monitoring as a standing agenda item. <li data-bbox="198 872 963 1058">• Continue to monitor the Cumberland Council SLA to ensure cyber security risks are minimised and review its systems and stop using those which present a high-risk threat to the Service’s ICT security. <li data-bbox="198 1068 963 1112">• Develop a Data Quality Policy. 	<p data-bbox="978 719 1174 805">Governance (pages 21-22)</p>	<p data-bbox="1192 505 2440 915">Actions: Chief Finance Officer and Chief Fire Officer attends the Working Together Exec Board and has been involved in the DDaT discussions and gaining agreement of the direction of travel. The Programme Board is being set up by a Senior Project Manager at Police which will include appropriate membership from Police and Fire and their project management workflows have robust governance processes. Delivery of the programme will be monitored through the appropriate Fire and PFCC governance processes. There are regular discussions with Cumberland Council in respect of the SLA and whilst the risk score is high, this was predominantly on systems that Fire no longer actively use and therefore the Service score will be reviewed and reduced if considered appropriate. It will also be necessary to maintain active dialogue through the transition process and it may require some attendance at meetings by Cumberland ICT staff.</p> <p data-bbox="1192 933 1633 972">Responsible Officer: Ben Ryder</p> <p data-bbox="1192 991 1977 1029">Due Date: - In line with project timeline - 31 March 2027</p>

Improvement recommendations raised in 2024/25 (continued)

	Recommendation	Relates to	Management Actions
IR3	The Authority should develop and maintain a comprehensive Partnership Register to improve transparency, coordination, and oversight of all formal and informal partnerships. This will help ensure strategic alignment, manage risks, and maximise partnership benefits.	Improvement economy, efficiency and effectiveness (page 26)	Actions: Recommendation is acknowledged, and a Register will be created and maintained Responsible Officer: Ben Ryder Due Date: 1 January 2026

06 Follow up of previous Key recommendations

Follow up of 2023/24 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR1	The Authority should develop a Corporate IT Disaster Recovery Plan that should be documented and approved by SLT. This should include a single list of critically ranked applications. This will ensure there is a clear plan and prioritisation of systems to restore should the need arise. The Authority should test this plan in a practical exercise and refine it if needed. The Authority should also manage the SLA with Cumberland Council to ensure cyber security risks are minimised and review its systems and stop using those which present a high-risk threat to the Service's ICT security.	2023/24	The Authority has made improvements in its cyber security arrangements and reported no data breaches or cyber incidents in 2024/25. However, there is a risk that the Authority may not fully implement the shared DDaT function with the Constabulary by April 2027 leading to potential cyber security incidents. We have raised an improvement recommendation set out on page 21.	Replaced with Improvement Recommendation	Yes

07 Appendices

Appendix A: Responsibilities of the Authority

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

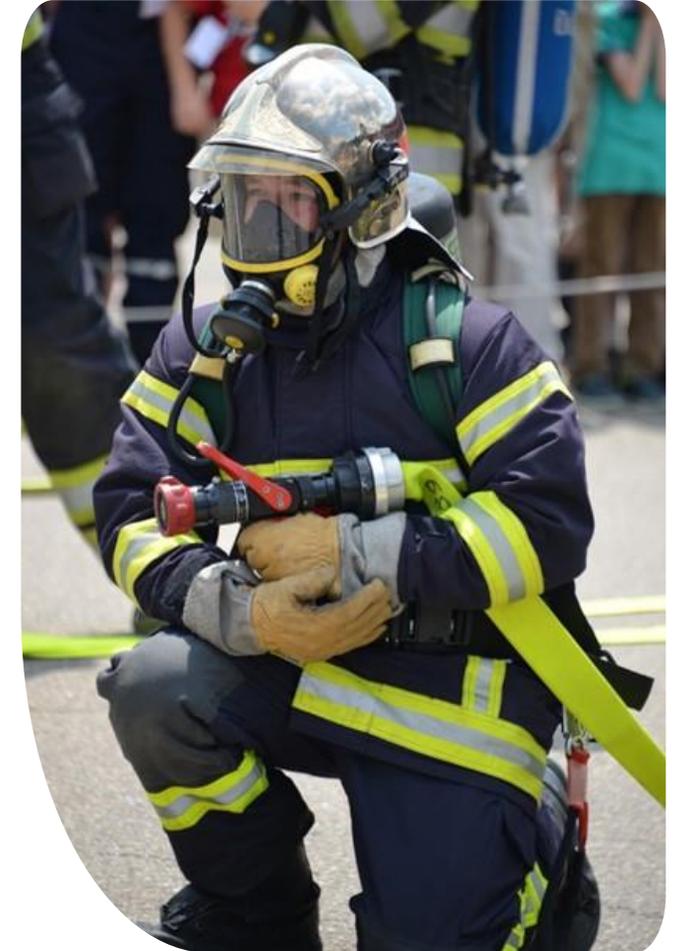
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records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

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

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

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

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



Appendix B: Value for Money Auditor responsibilities

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

Phase 1 – Planning and initial risk assessment

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

Phase 2 – Additional risk-based procedures and evaluation

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

Phase 3 – Reporting our commentary and recommendations

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



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

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

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

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

Information that informs our ongoing risk assessment

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

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	The Authority may wish to consider developing a contingency budget to fund any unforeseen expenditure to reduce pressure on its limited reserves.	2023/24	When the 2025-26 MTFP was drafted and approved there were still in year pressures, so it was not possible to include a contingency budget It is something the Authority will continue to consider in future years whist we also aim to increase the level of CFRS reserves. The assessment of a prudent level of minimum reserves includes a £1m assessment for one off emergencies alongside other potential risks. This £1m can be classed as a contingency.	Implemented	No
IR2	The Services could consider provision for climate change and net zero costs especially fleet and estates in its MTFP.	2023/24	Climate Change risk will be captured in the CRMP process along with other risks. Environmental Impact and Sustainability is considered when going through procurement processes. Key strategic documents around fleet and estates make reference to climate change opportunities.	Implemented	No
IR3	The Authority should develop a savings and transformation programme and ensure it is monitored quarterly and reported to the Police, Fire and Crime Panel.	2023/24	The Authority is in the process of developing a formal savings plan which will be monitored by the Expenditure Management Group (EMG). See page 17.	Partially implemented	Yes, improvement recommendation retained

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR4	The Authority may wish to develop its approach to cost benchmarking.	2023/24	<p>As a relatively new stand-alone organisation the Authority will continue to submit benchmarking data (2024-25 will be completed soon). This will allow the Authority to review budget development year on year and compare to organisations with a similar profile</p> <p>The Authority will be assessing the 2023/24 data that has recently been released to do some basic comparisons, however, although benchmarking can be useful, local considerations and priorities can often mean some areas are outliers for a legitimate reason.</p>	Implemented	No
IR5	The Authority needs to complete its workforce strategy and ensure it is aligned to the costed establishment in the MTFP.	2023/24	The workforce plan is in development under the oversight of the Area Manager who has responsibility for People and Talent, and this is due to come back to SLT in September.	Implemented	No
IR6	The Authority needs to ensure the Annual Governance Statement is developed by those charged with governance in a timely way and presented to Joint Audit Committee.	2023/24	The Head of Safety and Assurance has prepared the AGS for 2024/25 and this was presented to SLT and EB-Fire as well as JAC prior to its publication alongside the Draft Statement of Accounts on 30 June 2025.	Implemented	No

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR7	The Authority could improve its financial reporting to the Police, Fire and Crime Panel by including a break down by service, ensuring the quarterly forecast outturn shows the best, worst and most likely outturn position and including savings monitoring and relevant non-financial information such as activity and workforce data.	2023/24	Financial budget monitoring reports taken to the PFCP are just high-level updates and more detailed reports are presented at SLT and Executive Board – Fire.	Implemented	No
IR8	The Authority needs to ensure that arrangements are in place to produce timely financial statements in line with national deadlines, including preparation of supporting working papers to enable completion of the subsequent audit ahead of the backstop date for 2024-25.	2023/24	Draft Accounts were published on 30 June 2025, this was achieved through creating a process based on the output from the new finance, which will be a process that will only speed up over time as the system is further developed and knowledge amongst the finance team grows.	Implemented	No

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR9	The Authority needs to ensure it has sufficient capacity in its finance team.	2023/24	<p>A further review ahead of the fixed term contract coming to an end has resulted in an additional resource being approved to replace the fixed term post at a more process/transactional level</p> <p>The new post will be advertised before the end of July with the target start date of Sept/Oct 2025. The success of this new post will be monitored closely and should allow further handover of detailed tasks from the S.151 Officer to other team members (especially around accounts preparation and budget preparation).</p>	Implemented	No
IR10	The Authority needs to develop a corporate gifts and hospitality register.	2023/24	<p>Gifts and Hospitality Register and Contacts registers were made accessible to all and the need to complete these (backdated to Jan 2025) was publicised in the CFRS Update in April – periodic reminders will be sent to remind all officers and staff of the corporate Governance requirements</p>	Implemented	No

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR11	The Authority needs to improve its procurement and contract management arrangements by updating the Procurement Strategy to reflect the Act implementation; developing and maintaining an updated contracts register; and agreeing a contracts pipeline.	2023/24	The Constabulary's commercial and procurement team has taken over the responsibility of contract management from the Authority. A formal joint procurement arrangement with Constabulary was put in place since 1st June. We have therefore closed this recommendation and will review arrangements as part of our 2025/26 work.	Closed	No
IR12	The Authority should continue to improve the estate assets by: delivering its action plan, reviewing estate governance to include fire and developing a long-term planned approach to estate management ensuring compliance with health and safety legislation.	2023/24	The Joint Estates team has now been implemented across the full CFRS and Police/OPFCC estate which has brought about a consistency of approach and governance. This is already improving the level of compliance and transparency of process.	Implemented	No



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