Grant Thornton

Northamptonshire Commissioner Fire and Rescue Authority

Auditor's Annual Report
Year ending 31 March 2026

24 November 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

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Introduction

This report brings together a summary of all the work we have undertaken for Northamptonshire Commissioner Fire and Rescue Authority (the Authority) during 2025/26 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 2026 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 2025/26
- 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

Under the Local Audit and Accountability Act 2014, auditors of an 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 13 with a commentary on whether any of these powers have been used during this audit period.

In particular, auditors may issue:

- Statutory recommendations to the full Authority which must be considered publicly.
- A Public Interest Report (PIR)

Value for money

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 (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

During 2024/25, the NAO consulted on and updated the Code to align it with 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. The deadline requirement for 2025/26 AARs is 30 November 2026.

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Fire Governance – organisational change and risk



National Context

Abolition of PCCs

In November 2025, the Government announced its intention to abolish PCCs with transition to new governance arrangements planned for 2028. PCCs were introduced in 2012 under the Police Reform and Social Responsibility Act 2011 to replace police authorities and enhance local accountability for policing. In 2017, PCCs were enabled to take on fire governance by the Policing and Crime Act 2017.

In PFCC areas, the PFCC is directly responsible for delivering statutory fire and rescue services, setting the Fire and Rescue Plan, agreeing the fire precept, managing the fire budget, and overseeing service performance. Those governance functions will transfer to a new body and Fire Services will operate under a new accountability model.



What we observed in 2025/26

Northamptonshire PFCC currently provides governance and oversight of Northamptonshire Fire and Rescue Service

2025–2028 will see a transitional period, with PCCs continuing to operate until the end of their terms. The abolition will take effect at the end of the next PCC electoral cycle in 2028. For Northamptonshire it is expected that a Police, Fire and Crime Board comprising primarily local authority leaders will take on PFCC duties.

Northamptonshire OPFCC is progressing preparations for the transition to a Police, Fire and Crime Board through stakeholder engagement and collaboration with wider policing, fire, local authority partners. Work includes reviewing governance arrangements, contracts, budgets, commissioned services and key directorates, while national working groups and peer reviews are informing future operating arrangements.



Residual risks

Heightened risks will remain as organisational change moves from transition into steady-state operation.

The impact of organisational change such as significant reform does not always crystallise at the point of design or implementation.

The abolition of PCCs represents a major shift in governance, moving from a single elected official to a more integrated model aligned with broader local government structures.

Significant change can often lead to ongoing risks such as clarity around accountability and decision-making, leadership and management capacity, and loss of institutional knowledge. These could place additional pressure on operational performance, control, assurance and decision-making arrangements if not actively monitored and strong Board and Committee focus will be required to manage risk as arrangements begin to transition.

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02 Executive Summary

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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	2024/25 Assessment of arrangements		2025/26 Risk assessment	2025/26 Assessment of arrangements	
Financial sustainability	A	No significant weaknesses in arrangements identified; one improvement recommendation in relation to savings and one in relation to the need to update the Joint Estates Strategy.	No risks of significant weakness identified.	A	No significant weaknesses in arrangements identified. We have raised two improvement recommendations regarding the delivery of savings and slippage in the capital programme.
Governance	G	No significant weaknesses identified and no improvement recommendations raised.	No risks of significant weakness identified.	G	No significant weaknesses in arrangements identified and no improvement recommendations identified.
Improving economy, efficiency and effectiveness	A	No significant weaknesses in arrangements identified; one improvement recommendation raised re His Majesty's Inspectorate of Constabulary Fire and Rescue Services' (HMICFRS) identified areas .	No risks of significant weakness identified.	G	No significant weaknesses in arrangements identified; and no improvement recommendations identified

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.

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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 reported a £0.4m overspend in 2025/26, mainly due to staffing and vehicle maintenance costs.

Budget gaps over the short and medium term are balanced through the use of ear marked reserves and identified savings. The Authority understands the financial risks faced into the future and is managing these by maintaining an appropriate level of General Fund Reserves. However due to the ongoing challenge we have retained the improvement recommendation in this area.

Capital programme delivery also remains a challenge, with significant underspend and ongoing project slippage. We have raised an improvement recommendation in this area.

See Pages 16-20.



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.

Risk management processes are well defined and the Head of Internal Audit provided a "Moderate" opinion on the framework of governance, risk management and control in its overall adequacy and effectiveness for 2025/26.

Budget setting, monitoring and treasury management arrangements are clear and . decision-making is subject to scrutiny by the Police, Fire and Crime Panel. No significant governance or compliance breaches were reported during the year.

We have not raised any key or improvement recommendations during the year.

See pages 21-23.



Improving economy, efficiency and effectiveness

The Authority uses performance measures, benchmarking and data quality initiatives to support service performance and financial planning. It has made good progress addressing previous HMICFRS actions, with the cause of concern is now closed.

Partnership working is a key strategic priority and has been positively recognised by HMICFRS, particularly in fire prevention activities with Local Authorities, Children's Services and the Ambulance Service.

We noted that the Authority has strengthened its oversight and management of the vehicle maintenance contracts during the year following overspends which continue to be monitored.

We have not raised any key or improvement recommendations during the year.

See Pages 24-26.

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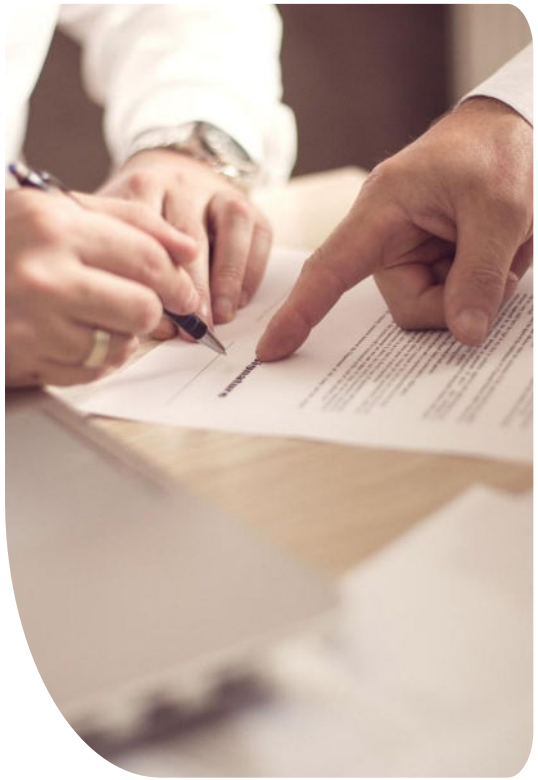
Executive summary – auditor's other responsibilities

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	2025/26 outcome
Opinion on the Financial Statements	Our audit of your financial statements is ongoing. We anticipate issuing an unqualified audit opinion in November 2026, following the approval of the financial statements by the PFCC as those charged with governance. Our findings are set out in further detail on pages 11 and 12.
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.



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

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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 expect to issue an unqualified opinion on the Authority's financial statements in November 2026.

The full opinion will be included in the Authority's Annual Report for 2025/26, 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 2026 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 2025/26
- 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 NAO Code of Audit Practice (2024), 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 2026.

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

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 Independent Audit Committee on 2 December 2026. Requests for this Audit Findings Report should be directed to the Authority.

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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 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.

We have nothing to report in this regard.



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04 Value for Money commentary on arrangements

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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.

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

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Financial sustainability – commentary on arrangements

We considered how the Authority:	Commentary on arrangements:	Rating
identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	The Authority's outturn position for 2025/26 was an overspend of £0.4m equivalent to 1.2% of the net revenue budget. The Authority balanced its budget for 2026/27 with proposed savings of £1.7m and £0.2m use of earmarked reserves. No use of General Fund Reserves is planned. The General Fund Reserve is forecast at £2.2m at the end of the Medium-Term Financial Plan (MTFP) period, which is above the Authority's target of £2m. The 10% precept increase in 2026/27 using additional flexibility from the Government and the announcement of government grant figures for 3 years allows the Authority to plan its future budgets over a longer period. Budget pressures on staffing costs are likely to continue, reinforcing this.	G
plans to bridge its funding gaps and identify achievable savings	Required savings are removed from budget lines before the start of the year. In 2025/26 £1.5m of £1.7m was identified and deducted; under delivery being budget variations at year end. In its original budget preparations, the savings requirement for 2026/27 was £3.077m; however with the increase in precept this reduced to £1.7m. We note extensive consultation on the precept was undertaken. Over the medium term, the Authority has identified additional savings requirement of £0.9m with further budget gaps in 2028/29 and 2029/30 of £1.3m and £1.6m. We raised an improvement recommendation in our prior year Auditor's Annual Report for the Authority to continue its work to identify multi-year savings and wider efficiencies so that the use of reserves to balance the revenue budget over the medium term is minimised. We have retained this improvement recommendation; further details can be found on the following pages on our report.	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.

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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 budget and MTFP clearly align to the Community Risk Management Plan (CRMP) 2025–2030 which outlines the Fire Services approach to identifying and managing risk and the Safe and Sound Plan 2025-30 which is the PFCC's Public Safety Plan for Northamptonshire.	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	There are clear links between the Authority's budget and MTFP and other strategies such as workforce planning, joint digital and joint assets, sustainability and data strategies. In our previous year's Auditor's Annual Report we raised an improvement recommendation to ensure the Joint Estates Strategy is updated to reflect current priorities to ensure it remains fit for purpose. This has now been completed and the Joint Estates Strategy has been replaced with the Assets Strategy. The Authority's Capital Strategy is linked to the CRMP and the Safe and Sound Plan and aligned with the Treasury Management Strategy. However, the Authority has had a large capital underspend for the last two years and has only spent 26% of the budget in 2025/26. We have raised an Improvement Recommendation on capital programme slippage. Further details can be found on the following pages of our report.	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.

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Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans	The Authority identifies risks to financial delivery at the budget setting/MTFP stage, during the year where budget variations are identified and as part of the Authority's risk management process. Key risks identified were around staff costs in terms of pay awards and firefighter numbers. The Authority clearly discusses alternative scenarios around its precept level and the impact of these in its budget papers and discusses the sensitivity to key assumptions such as pay and non pay inflation.	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.

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Financial sustainability (continued)

Area for Improvement identified: Financial sustainability

Key Finding: The Authority faces financial challenges over the short and medium term.

Evidence: The Authority delivered £1.5m savings in 2025/26.

To bridge its financial gap, the 2026/27 balanced budget requires a planned contribution of £0.2m from earmarked reserves and £1.7m savings. This is equivalent to 4.6% of the net revenue budget and an increase of 13% when compared to delivery in 2025/26.

Further savings of £0.9m are required to be delivered in 2027/28 with future budget gaps of £1.3m and £1.6m in 2028/29 and 2029/30.

We noted that the Authority is forecasting to overspend its budget in 2026/27 by £1.1m.

Impact: If the savings requirements are not made the Authority will need to reduce operational spend and possibly performance.

Improvement Recommendation 1

The Authority should identify and deliver the remaining 2026/27 savings and strengthen oversight of savings delivery to ensure it delivers its financial plan, reducing usage of earmarked reserves.



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Financial sustainability (continued)

Area for Improvement identified: Capital programme slippage

Key Finding: The Authority only spent 26% of its 2025/26 revised Capital Programme.

Evidence: For 2025/26 the Authority's original capital programme was £6.3m. During the year this was increased by £5.5m for slippage carried forward from 2024/25 to give a total programme of £11.8m. The spend for 2025/26 was £3.1m, an underspend of £8.7m.

The main areas of underspend were estates (£1.9m), control room IT (£0.9m) and fire appliances (£3.6m). The Authority is planning for a large increase in capital spend over forthcoming years.

Impact: Where projects are delayed, there is a risk of increased cost of delivery and reduced deliverability as original budgets may become insufficient, creating additional funding pressures. Future programmes may become overcrowded leading to capacity constraints or procurement bottlenecks.

Improvement Recommendation 2

The Authority should ensure its Capital Programme Governance arrangements are robust to deliver its planned programme and spend to prevent increasing cost and potential capacity issues in future years.

The Authority should consider its arrangements and make improvements where required, including:

- Reviewing the approach to preparing the capital programme to require evidence of realistic delivery timelines, to improve the accuracy of expected profiling and ensuring forecasting arrangements are robust with action taken to rephase as a result of this
- Considering introducing slippage thresholds
- Ensuring milestone monitoring and reporting including reasons for slippage is in place
- Reviewing whether there are any particular barriers in terms of skills and capacity in the organisation or with contractors that are causing delays.

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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	The Authority has established arrangements to identify and manage risk carries these out in accordance with its policies. Risk registers are maintained and all risks have a narrative, assigned owner, inherent score, controls, and a residual score. Reporting and oversight provided via Joint Independent Audit Committee (JIAC). The Internal Audit Plan is reported to JIAC and for 2026/27 consists of 90 days of audit work. There are regular updates on delivery of the plan and implementation of recommendations. For 2025/26 the Head of Internal Audit's opinion is that overall assurance is "Moderate". The Authority has had one Limited Assurance internal audit opinion report during the year, in respect of Cyber Security and is taking action as set out in its Annual Governance Statement to improve its reporting and recording of cyber security training. The Authority has arrangements in place to prevent and detect fraud – documented in the Joint Corporate Governance Code with annual reporting provided to JIAC. Whistleblowing arrangements are also in place with annual reporting to JIAC.	G
approaches and carries out its annual budget setting process	The Authority has established arrangements in place for producing the budget. The Budget build instructions issued by the PFCC set out the specifics for each year and the Joint Code of Corporate Governance clearly sets out the responsibilities.	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.

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Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
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	The Joint Code of Corporate Governance sets out the responsibilities for budget monitoring. Reports are produced within the Authority monthly for budget managers and PFCC and show appropriate detail. Treasury Management is also reported during the year to ensure the Authority keeps within its limits and meets its Prudential indicators.	G
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	The Authority's approach to decision making is set out in the Joint Code of Corporate Governance. Key decisions and reports are scrutinised by the Police Fire and Crime Panel who also receive updates on the work of the Authority. The Authority's governance and risk management is overseen by JIAC which has five members and met four times during 2025/26. The Committee reviews its effectiveness annually.	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.

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Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements:	Rating
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	The Authority maintains ethical standards by adhering to the national code of ethics and the Fire Service National Ethical standard. Registers of interests and hospitality are maintained and published. No significant breaches of legislation, regulatory requirements or professional standards were reported in the Authority's Annual Governance Statement for 2025/26.	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.

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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	The Authority makes use of performance measures in how it manages the service and reports on its performance publicly and to the Commissioner. The key targets are set by the CRMP and the Safe and Sound Plan. These are reported monthly to the Commissioner and publicly to the Police Fire and Crime Panel as part of reporting on the Safe and Sound Plan and in the Commissioners' Annual Statement on Fire. We noted that some targets for example Primary Dwelling Fires, Road Traffic Collisions are currently below targets and have slowly declined overall during the 2025/26 year. However, we have not raised an improvement recommendation in this area as reporting shows an understanding of the drivers and evidence of strategies to improve response times which is a key issue for discussion for the Authority and the Commissioner within its meetings. The Authority have a joint Digital strategy together with the Police and the PFCC which identified data quality as one of the key underlying principles. The Authority have made use of benchmarking in validating its assumptions in the budget and in comparison with national totals for performance measures.	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.

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

We considered how the Authority:	Commentary on arrangements:	Rating
evaluates the services it provides to assess performance and identify areas for improvement	The remaining Cause of Concern relating to Equality Diversity and Inclusion (EDI) was formally closed by HMICFRS in September 2025. In our prior year Auditor's Annual Report we raised an improvement recommendation to ensure the Authority continues to address the outstanding Areas for Improvement (AFIs) arising from the round 3 inspection. Progress is reported through the HMICFRS monitoring portal and is scrutinised internally at the Change and Improvement Board and approved by SLT. The service has developed a self-assessment process whereby AFIs can be 'closed' on the portal, indicating to HMICFRS that the service believes it has completed the necessary work. This aligns to HMICFRS guidance and expectations. The Authority reports that 15 out of 16 AFIs are now complete. HMICFRS published its latest inspection report on 19 November 2026. The report assesses how well Northamptonshire Fire and Rescue Service has performed in 10 areas; grading 7 as "Good", 2 as "adequate" and 1 as "Requires Improvement". The report notes the considerable progress made since the 2023-2025 inspection. We have closed the prior year improvement recommendation in this area.	G
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	The Authority engages with partners in developing strategic priorities and delivering services. The 2025–2030 CRMP was shaped through consultation with residents, staff, and key partners. "Strong Partnerships" is also one of the three missions in the Safe and Sound Plan. The most recent HMICFRS assessment report was positive about the Authority's work on partnerships in terms of work to prevent fires for example with the Local Authority Community Safety Partnerships, Children's Services and the Ambulance Service.	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.

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

We considered how the Authority:	Commentary on arrangements:	Rating
commissions or procures services, assessing whether it is realising the expected benefits	The OPFCC, Force and Fire and Rescue Service have a Joint Commercial Strategy designed to drive efficiencies through effective commercial activity and collaboration. A joint procurement log records and tracks procurement requests, approvals, outcomes and supporting documentation. The Procurement Panel scrutinises the log, providing oversight of non-compliance, capacity, procurement pipelines and waiver requests. The Authority maintains a contracts register and monitoring of contracts is routinely carried out. We noted that the Authority experienced increased contract spend of £493k on vehicle maintenance during 2025/26 and is taking action on this. The additional costs were due to some additional work and costs falling in one financial year that would previously have been in two, together with some increased requests for work. The Authority took actions to work directly with the vehicle suppliers to investigate and resolve ongoing defects, and to review vehicle design specifications and procurement processes to improve the long-term reliability of future fleet purchases and reduce recurring problems. It also took action to Improve governance, oversight and communication across the service, with stronger day-to-day management led by the Chief Asset Officer including daily vehicle defect reporting, enabling better monitoring, prioritisation of repairs, and operational planning. Given this activity we have not raised an Improvement Recommendation but acknowledge that the spend pressures and this work are both continuing.	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.

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05 Summary of Value for Money Recommendations raised in 2025/26

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Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR1	The Authority should identify and deliver the remaining 2026/27 savings and strengthen oversight of savings delivery to ensure it delivers its financial plan; reducing usage of earmarked reserves.	Financial sustainability	**Actions:** Savings targets in 26/27 are almost achieved and delivery plans are underway to embed and deliver further savings in 27/28. Work will continue. **Responsible Officer:** Chief Operating Officer (s151) **Due Date:** 31/03/2027

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Improvement recommendations raised in 2025/26

	Recommendation	Relates to	Management Actions
IR2	The Authority should ensure its Capital Programme Governance arrangements are robust to deliver its planned programme and spend to prevent increasing cost and potential capacity issues in future years. The Authority should consider its arrangements and make improvements where required, including: • Reviewing the approach to preparing the capital programme to require evidence of realistic delivery timelines, to improve the accuracy of expected profiling and ensuring forecasting arrangements are robust with action taken to rephase as a result of this • Considering introducing slippage thresholds • Ensuring milestone monitoring and reporting including reasons for slippage is in place • Reviewing whether there are any particular barriers in terms of skills and capacity in the organisation or with contractors that are causing delays.	Financial Sustainability	**Actions:** Robust monitoring of the Capital Programme will take place to ensure both realistic phasing of programmes and ultimate delivery. **Responsible Officer:** Chief Operating Officer (s151) & ACO Enabling Services **Due Date:** 31/03/2028

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07 Appendices

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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.



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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

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Appendix C: Follow up of 2024/25 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	The Authority should continue its work to identify multi-year savings and wider efficiencies so that the use of reserves to balance the revenue budget over the medium term is minimised. Plans to replenish reserves should also be considered as part of the financial planning process.	2024/25	The Authority have produced a medium term plan which outlines the savings required over 4 years. The proposal for 2026/27 did not involve any use of reserves. The Authority still needs to identify savings for future years.	Partially Implemented	Improvement Recommendation 1
IR2	The Joint Estates Strategy should be updated to reflect current priorities and progress to ensure it remains fit for purpose.	2024/25	The Authority, the Police and the Commissioners office have produced a new Assets Strategy	Implemented and closed	No

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Appendix C: Follow up of 2024/25 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR3	The Authority should continue to address areas identified by HMICFRS as requiring improvement, ensuring that progress is sustained and supported by effective governance and oversight arrangements.	2024/25	The Authority has made good progress implementing the actions recommended in the last HMICFRS review from 2025.	Implemented and closed	A new inspection outcome is due shortly and will set out any further actions required.

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