



**DORSET & WILTSHIRE
FIRE AND RESCUE**



Item 26/06 Appendix A

Dorset & Wiltshire Fire and Rescue Service

Report of Internal Audit Activity

Plan Progress 2025/26 Quarter 4

Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

Unrestricted

Internal Audit Plan Progress 2025/26 Quarter 4

Contents

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Internal Audit Plan Progress 2025/26 Quarter 4

Introduction

This report summarises the Internal Audit activity completed for Dorset & Wiltshire Fire and Rescue Service in Quarter 4 2025/26 in line with the Annual Audit Plan approved by the Finance & Audit (F&A) Committee and the Chief Fire Officer in February 2025.

The schedule provided in Appendix 1 contains a list of all audits agreed in the Annual Audit Plan 2025/26.

We have provided a summary of activity which outlines our assurance opinion and the number and priority of any actions that we made in relation to the audit work undertaken in Quarter 4. To assist the Committee in its monitoring and scrutiny role, a summary of each audit (objective, risk, controls tested, findings and actions) has also been provided, the content of which has been discussed and agreed with the responsible Director.

The scope for each audit is agreed in advance with nominated managers. This process intends to focus on the key risks to which that area of the Services activity is exposed and the associated controls which we would expect to be in place to ensure that risk is managed.

The key controls have been assessed against those we would expect to find in place if best practice in relation to the effective management of risk, the delivery of good governance and the attainment of management objectives is to be achieved. Where applicable, selected and targeted testing has been used to support the findings and conclusions reached.

We have performed our work in accordance with the principles of the Institute of Internal Auditors (IIA) Global Internal Audit Standards (GIAS) and the UK Public Sector Application Note and the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government in so far as they are applicable to an assignment of this nature and you, our client.

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Audit Summary

In Quarter 4 2025/26, the following audits were completed in accordance with the Audit Plan:

Audit Name	Healthy Organisation Theme	Linked To	Status	Opinion	No of Actions	Priority of Actions		
						1	2	3
Pensions Administration	People & Asset Management	HMICFRS Efficiency Pillar Priority 4	Final	Substantial	0	-	-	-
Procurement	Corporate Governance Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	1	-	1	-
Financial Controls	Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Reasonable	1	-	1	-

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Assurance Definitions

Each completed audit has been awarded an “Assurance opinion” rating. This opinion takes account of whether the risks material to the achievement of the Services objectives for this area are adequately managed and controlled. The Assurance opinion ratings have been determined in accordance with the Internal Audit “Audit Framework Definitions” as detailed in the below:

Audit Assurance Definitions	
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance identified. Improvement is required to the system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is generally a sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exist with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

From our work we have raised actions which seek to strengthen the Services controls within each audit area. We highlight those matters of that we believe merit acknowledgement in terms of good practice or undermine the system’s control environment, and which require attention by management. All improvement actions are allocated a priority grading and have been agreed with the management teams in the appropriate area.

Categorisation of Actions	
In addition to the corporate risk assessment, it is important that management know how important the action is to their service. Each action has been given a priority rating at service level with the following definitions:	
Priority 1	Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

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Pensions Administration Audit

Audit Objective

To ensure the pensions provision is appropriately administered, reconciled, and reported to the Local Government Pension Scheme (LGPS) and Firefighters Pension Scheme (FPS) pensions providers to safeguarding employee pensions contributions.

Executive Summary



Assurance Opinion

The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Management Actions

Priority 1	0
Priority 2	0
Priority 3	0
Total	0

Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility.

Key Conclusions



Our audit testing confirmed the following:

- Procedures outlining respective roles and responsibilities are not in place; however, a checklist is completed by the Employee Relations Advisor to prepare business objects reports using payroll data to provide contribution information for uploading and making payment to the Wiltshire Pension Fund and support the Balance Sheet entries for the West Yorkshire Pension Fund.
- Review of a sample of 12 starters (6 LGPS and 6 FPS) for the period September – November 2025 confirmed timely enrolment within the month of starting and the correct rate being applied.
- Testing confirmed payroll data, third party data and upload report totals agreed for September, October and November 2025.
- Pension payments are reviewed and authorised.

Audit Scope

The review sought to provide assurances over the following areas:

- the Service's pension administration arrangements to ensure internal controls minimise the risk of error and fraud.
- all new scheme members are enrolled into the scheme correctly and in line with the process.
- payments to the Pension Funds are appropriately authorised, reconciled, and reviewed.

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	<ul style="list-style-type: none"> • The Wiltshire Pension Fund iConnect portal used to input LGPS pension data identifies any upload errors and upload is not possible until the errors are cleared by the Employee Relations Adviser. • Changes to pension bandings/rates are input by the Payroll Manager and reviewed by the Employee Relations Manager. • The Payroll Manager undertakes a reasonableness review of expected and actual employer and employee pension contributions before the monthly payroll is run. • Monthly contract meetings take place with both Wiltshire Pension Fund for LGPS and West Yorkshire Pension Fund for FPS (supplemented by a monthly performance report and a Quarterly Client meeting with all 26 Fire Authorities using West Yorkshire Pension Fund). 	<ul style="list-style-type: none"> • amendments to employee contribution rates, both permanent and temporary, are evidenced and authorised. • relevant corrections have been made to the inaccurate pensions' contributions. • checks have been performed on data submitted to the pensions providers to ensure all errors have been found. • procedures have been put in place to provide confidence that previous inaccuracies will not occur again.
	<p>The review highlighted the following issues for awareness and monitoring:</p> <ul style="list-style-type: none"> • West Yorkshire Pension Fund performance has declined due to additional workloads associated with implementing legislative changes to firefighter pension schemes, primarily linked to the Matthews Remedy requirements arising from a judgement decision <i>Matthews v Kent and Medway Towns Fire Authority & others</i> which allowed retained firefighters employed between 1 July 2000 and 5 April 2006 to join the Firefighters' Pension Scheme 2006 (FPS 2006) as 'special members', a time limited options exercise took place between 2014 and 2015 to allow those eligible individuals to join the FPS 2006. <p>The decline in performance has been acknowledged by West Yorkshire Pension Fund and the LGA have been engaged in writing a letter on behalf of all fire service clients following a meeting in December 2025. A working group of fire authorities, the LGA and West Yorkshire representatives has been established to prioritise activities and improve performance.</p> <ul style="list-style-type: none"> • Finance have also highlighted concerns due to approximately £900k of unknown Matthews Remedy related transactions which cannot be reported to Ministry of Housing, Communities & Local Government (MHCLG). This may pose a risk to future cash flow if Finance are unable to account for, and report to, MHCLG as part of the annual top up grant application. 	

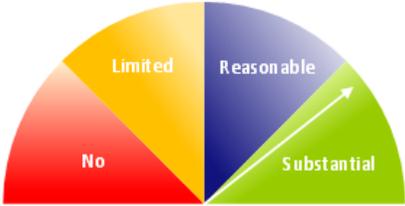
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Procurement Audit

Audit Objective

To provide assurance that key financial controls are in place and working effectively with regular monitoring and reporting.

Executive Summary

	Assurance Opinion A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited	Management Actions	Organisational Risk Assessment	Low
		Priority 1	0	Our audit work includes areas that we consider have a low organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility.
		Priority 2	1	
		Priority 3	0	
		Total	1	

Key Conclusions



The following area for improvement was identified during our review:

- The Procurement Action Plan does not align with the outcomes outlined in the 'how will we get there' section of the Procurement Plan.

Audit Scope

We reviewed the following areas of control:

- There is a Procurement Plan which is sufficiently governed, aligned to

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The following key strengths were identified during our review:

- The revised Procurement Plan (2026–2028) provides a clear framework for how the procurement function will operate over the next three years. It is aligned with the Service’s corporate priorities and legislative requirements. However, note Action 1.
- There is an up to date and approved Contracts and Procurement Procedure which is aligned with the changes in the Procurement Act 2023. They remain under review due to ongoing legislative changes. The Procedures appear reasonable and alignment with statutory obligations and the service’s financial regulations.
- There is a dedicated procurement team in place with their roles and responsibilities clearly set out. They manage the procurement process, aid compliance, monitor and provide oversight of procurement activity.
- The routes to procurement procedures are clear with controls in place to reduce the risk of processes being circumnavigated or operating in isolation.
- Aggregated spend is encouraged with clear processes and procedures in place. Disaggregated spend is monitored and where identified this is, investigated and escalated.
- There are procedures and training on declaring and assessing conflicts of interest for both staff and suppliers prior to procurement taking place and annually including both financial and non-financial interests. Where conflicts have been declared, a register is maintained of the conflicts and mitigating actions put in place to avoid any impacts on the procurement exercise.
- The training and guidance for procurement and contract management at DWFRS appears comprehensive and well-structured, providing assurance that staff have the necessary and up to date knowledge to comply with legislation and internal processes. The Procurement Manager is in the process of refreshing the DWFRS procurement and contract management e-learning modules to roll out early 2026.
- The Procurement Pipeline is maintained by the Procurement Team with regular reporting to the Service Delivery Team and Director of Finance. The Pipeline is costed where costs are known and updated accordingly as and when costs are known. In-year changes require evidence of approval before being added.

service plans and corporate priorities.

- Procurement policies and procedures are aligned to legislations, define the procurement process, implemented throughout the Service, and sufficient oversight in place.
- The Pipeline of procurement activity is sufficiently governed with change and review processes in place.
- There is regular monitoring and reporting of procurement activity.

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Appendix 1 Findings & Action Plan

Finding 1 – Procurement Action Plan

The Procurement Plan has an action plan, however, the actions identified do not align with the outcomes outlined in the ‘how will we get there’ section.

There is a risk that objectives may not be achieved, as actions do not directly support the Plan’s intended outcomes, leading to ineffective delivery and poor accountability.

Action

We update the action plan to include SMART actions that clearly link to the outcomes in the “How will we get there” section, ensuring alignment and measurable progress.

Management Response:

The Procurement Plan is an internal planning document for the Procurement team for the period 2026 – 2028. It has recently been refreshed to align to the significant changes made as part of the Procurement Act 2023, which officially went live from 24 February 2025.

The document is reviewed on a quarterly basis with the Procurement team, and the action plan section therefore focuses on quarterly and annual tasks that need to be completed by the team locally.

This report finding is noted, and the content of the plan will be expanded to include a focus on the strategic aims of the team over the period and how the team will meet the intended outcomes.

Priority	2	SWAP Reference	#8581
Responsible Officer	Procurement Manager		
Timescale	30 April 2026		

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Financial Controls Audit

Audit Objective

To provide assurance that key financial controls are in place and working effectively with regular monitoring and reporting.

Executive Summary



Assurance Opinion

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Management Actions

Priority 1	0
Priority 2	1
Priority 3	0
Total	1

Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility.

Key Conclusions



The following area for improvement was identified during our review:

- There is a lack of confidence that contracts are being effectively managed across the Authority and contract management implementation lacks consistency due to a lack of guidance.

Audit Scope

We reviewed the following areas of control:

- Key policies and procedures, including the Scheme of Delegation and Financial Scheme of



The following key strengths were identified during our review:

- The Authority has a comprehensive set of up-to-date finance policies and procedures, which are adequate to oversee financial arrangements and support appropriate segregation of duties, escalation and accountability.
- The controls and privileges within the finance system, Unit4 ERP, appear sufficient ensuring suitable segregation and reflect the scheme of delegation. Processes for starters, movers, and leavers to manage access requirements are in place supplemented by periodic checks.
- Consultants/ interim/ temporary staff make up approximately 1% (18 out of approximately 1350 staff members) of the workforce. Of those, only three were in management roles demonstrating that there is not an over reliance on outside agencies.
- The creation and amendment of budget codes is adequately restricted with separate approval and creation roles. Monitoring and oversight are carried out via regular management reporting through the budget monitoring process.
- There is a comprehensive project management framework with a structured lifecycle and gateway approvals. Improvements to the process were implemented in November 2025. Procedures are clear with standardised templates and flowcharts. There is regular monitoring and reporting to SDT and stakeholder group meetings which capture objectives, benefits, and financial performance. Project budgets are monitored by finance through monthly finance meetings and oversight maintained through the budget monitoring process.
- There is a robust supplier set up and change process requiring multi-stage approval with clear monitoring and oversight processes in place.
- Although the payment workflow promotes segregation of duties, the system configuration enables users with authorisation limits to both raise and approve requisitions and invoices within their threshold. This risk is mitigated by review and checking processes carried out before payments are released.
- There are adequate policies and procedures in place to mitigate fraud with mandatory training and on-going monitoring in place.

- Delegation, are in place and adequate in their contents to oversee financial arrangements.
- Financial systems access is sufficiently governed with new starter processes, ensuring suitable segregation of duties and reflect the Scheme of Delegation.
- The creation of budget codes is restricted with ongoing monitoring and oversight.
- There is a project management process in place with clear governance, oversight and approval requirements at key stages.
- There are clear contract management processes in place which are effectively implemented.
- There is a supplier set up and payment process in place which includes segregation of duties and due diligence.
- There is ongoing monitoring and regular reporting on projects including expenditure vs delivery to management and relevant committees/boards.
- There are adequate fraud prevention and detection controls including a Speak Up, Whistleblowing, and Gifts & Hospitality policies and procedures in place which undergo regular monitoring and challenge.

Appendix 1 Findings & Action Plan

Finding 1 – Contract Management

The current approach to contract management lacks consistency across the Authority and records are not always maintained. Existing procedures outline roles and responsibilities, but there is a lack of implementation guidance. Additionally, the Procurement Team do not currently have assurance that all contracts are being managed effectively due to a lack of monitoring and oversight.

To address this, contract management training was delivered in November 2025 and the Procurement Manager is in the process of introducing a Contract Management Guide, supported by standardised templates, the introduction of a formal handover document from tendering to contract management and a centralised filing system with spot checks to ensure transparency, accountability, and compliance. Additionally, the Services contract management e-learning modules are being refreshed, and staff will be required to complete this training annually. Collectively, these changes aim to mitigate unmanaged contracts, improve performance monitoring, and deliver a robust, auditable framework for contract management going forward.

Action

We will ensure that the programme of work to improve the contract management process is rolled out on a timely basis and monitoring to ensure contracts are being effectively managed is carried out regularly.

Management Response:

Since the implementation of the UK Procurement Act 2023 on 24 February 2025, the Service has completed a detailed review of its policies and procedures, including its approach to contract management to ensure compliance. Training via an external provider was delivered to officers in Q3 2025-26 and e-learning content will also be refreshed in Q4 2025-26. This, alongside the additional documentation, will give contract owners sufficient knowledge and guidance to ensure appropriate levels of contract management are ongoing for our contractual arrangements. Monitoring and oversight processes including spot checks will be implemented in Q4 2025-26. This will include an internal escalation process so responsible Directors within the Strategic Leadership Team will have oversight of the contact management being completed in their respective areas.

Priority	2	SWAP Reference	#8580
Responsible Officer	Procurement Manager		
Timescale	28 February 2026		

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Appendix 1 – 2025/26 Audit Plan and Performance

Audit Name	Healthy Organisation Theme	Linked To	Status	Opinion	No of Actions	Actions		
						1	2	3
Corporate Performance Management	Corporate Governance	HMICFRS Efficiency Pillar HMICFRS Effectiveness Pillar Priority 4	Final	Substantial	2	-	-	2
IT Asset Management	Information Management Procurement & Commissioning	Strategic Risk 301 HMICFRS Effectiveness Pillar Priority 4	Final	Reasonable	2	-	2	-
Treasury/Reserves Management	Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	1	-	-	1
People Development	People & Asset Management	Strategic Risk 598 HMICFRS People Pillar Priority 5	Final	Reasonable	4	-	3	1
Culture Plan	People & Asset Management	Strategic Risk 598 HMICFRS People Pillar Priority 5	Final	Substantial	4	-	-	4
Overtime (and secondary contract) Management	Corporate Governance Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Reasonable	1	-	1	-
Procurement Process Evaluation	Corporate Governance Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Substantial	1	-	1	-
Pensions Administration	People and Asset Management	HMICFRS Efficiency Pillar Priority 4	Final	Substantial	0	-	-	-

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Audit Name	Healthy Organisation Theme	Linked To	Status	Opinion	No of Actions	Actions		
						1	2	3
Financial Controls	Financial Management	Strategic Risk 0006 HMICFRS Efficiency Pillar Priority 4	Final	Reasonable	1	-	1	-
Follow Ups	All	All	-					

The performance results for progress against the internal audit plan for Quarter 4 of the 2025/26 Internal Audit Plan are as follows:

Performance Target	Average Performance	
	% of the Annual Plan	Number of Assignments
<u>Audit Plan – Percentage Progress</u>		
Final, Draft, Discussion, Removed	100%	9
In progress, Ongoing	0%	0
Not yet started	0%	0
	100%	9

The completion of the plan is on target.