

Shropshire and Wrekin Fire and Rescue Authority

Audit progress report and sector updates

July 2026

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Audit Progress Report

Introduction

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This paper provides the Audit & Standards Committee with a report on our progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Audit & Standards Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

[Local government | Grant Thornton](#)

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress as at July 2026

Financial Statements Audit

The planning and risk assessment phase of our 2025/26 audit was undertaken in April, with the Audit Plan being formally presented to the Audit & Standards Committee on 22 April.

As part of our planning procedures, we obtained an understanding of, and documented, the design effectiveness of key systems and processes relevant to the preparation of the financial statements. In addition, we identified and assessed the significant audit risks associated with both entities.

We have also made progress in undertaking early substantive testing at the Authority. We have selected samples and performed testing on PPE additions and disposals, fees and charges income, operating expenses, starters and leavers. From the work performed to date, we have not identified any issues.

Subject to the publication of the draft financial statements, we intend to commence substantive audit fieldwork for the Authority in the early July. During this period, we will undertake a sample selection exercise and share those items with the Authority in advance of our August visit.

Our audit findings will be reported to the November Audit & Standards Committee through our Audit Findings Report.

Value for Money

Our work in the following areas is now in progress at the Authority:

Financial sustainability - How the Authority plans and manages its resources to ensure it can continue to deliver its services.

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

Improving economy, efficiency and effectiveness - How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We have continued to hold regular liaison meetings with the Chief Fire Officer and other Statutory Officers to discuss the Authority's progress in addressing our prior year VFM recommendations. From these discussions, the Authority appears to be taking a proactive approach, with actions identified and underway, although it is recognised that some areas will require a longer timeframe to fully implement.

Based on our work to date, we have not identified any new risks of significant weakness in the Authority's arrangements. This position will be kept under review as we progress our work. We are planning to commence our focused VFM fieldwork in September 2026, at which point we will undertake more detailed work to assess the arrangements in place and prepare our commentary for reporting. Our findings will be reported in the Auditor's Annual Report in November 2026.

Progress as at July 2026 (continued)

Meetings

Since commencement of our work in respect of the audit year 2025/26 we have met with the Director of Finance and Resources, Head of Finance, Monitoring Officer and Chief Fire Officer on multiple occasions to discuss both the financial statements audit, along with the value for money work.

Audit Fees

PSAA published their scale fees for 2025/26: [2025/26 audit fee scale - PSAA](#)

For Shropshire and Wrekin Fire and Rescue Authority these fees are £100,642. These fees are derived from the procurement exercise carried out by PSAA in 2022. They reflect both the increased work auditors must now undertake as well as the scarcity of audit firms willing to do this work.

Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Deliverables	Planned Date	Status
<p>Audit Plan</p> <p>We are required to issue a detailed audit plan to the Audit & Standards Committee setting out our proposed approach in order to give an opinion on the Council's 2025/26 financial statements.</p>	March 2026	Complete
<p>Audit Progress Report</p> <p>This includes summary of audit progress and sector update.</p>	July 2026	Complete – this Committee
<p>Audit Findings Report</p> <p>The Audit Findings Report will be reported to the Audit & Standards Committee.</p>	November 2026	Not yet due
<p>Auditor's Report</p> <p>This includes the opinion on your financial statements.</p>	November 2026	Not yet due
<p>Auditor's Annual Report</p> <p>This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.</p>	November 2026	Not yet due

Sector Updates

CIPFA Bulletin 23 – Closure of the 2025/26 financial statements

CIPFA has issued Bulletin 23 (April 2026) to support authorities in preparing the 2025/26 Statement of Accounts. The bulletin covers key areas that authorities should consider for 2025/26.

Indexation of non-investment assets

The bulletin includes a useful list of answers to frequently asked questions on indexation for preparers of accounts.

Key reminders include:

- ❖ Authorities need to adopt a five-year revaluation cycle, with indexation in intervening years, replacing more frequent revaluations.
- ❖ It applies to most property, plant and equipment, along with leased assets if measured at valuation.
- ❖ Indexation maintains asset values in line with market changes, and authorities should continue to review asset lives and indicators of impairment.
- ❖ CIPFA do not prescribe which indices authorities may use - authorities must select appropriate indices, justify choices, and use the latest available data.
- ❖ In rare cases where no index is available a desktop valuation is required in year three.

For a full copy of Bulletin 23, see [CIPFA Bulletin 23 – Closure of the 2025/26 financial statements | CIPFA](#)

More detailed guidance on indexation is available in CIPFA's [CIPFA Bulletin 22 Indexation application guidance | CIPFA](#)

Audit Committees can help by asking:

- ❖ What assurance is available that the indexation applied is appropriate for the authority's various assets within the scope of indexation, and is supported by sufficient external evidence and professional input?

Committee resources

Commentary from Grant Thornton on recovering the accounts preparation and audit timetable:

[Local audit reset: What comes after the backstop? | Grant Thornton](#)

Latest guidance and learning from Grant Thornton on local government reorganisation and devolution:

[Navigating the future: The dual challenge of local Government reorganisation and devolution | Grant Thornton](#)

[Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?](#)

[Learning from the new unitary councils](#)

Grant Thornton learning on procurement and contract management:

[Local government procurement and contract management](#)

Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

[Global Internal Audit Standards in the UK Public Sector | CIPFA](#)

CIPFA Good Governance

[Delivering Good Governance in Local Government Addendum](#)

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-ias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>



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