



**DORSET & WILTSHIRE
FIRE AND RESCUE**

Dorset & Wiltshire Fire and Rescue Authority

Annual Governance Statement

Scope and Responsibilities

Governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises of the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.

The functions and responsibilities of Fire and Rescue Authorities are set out in the Fire and Rescue Services Act 2004 which came into effect on 1 October 2004. Under this Act, every Fire and Rescue Authority must make provision, in its area for: -

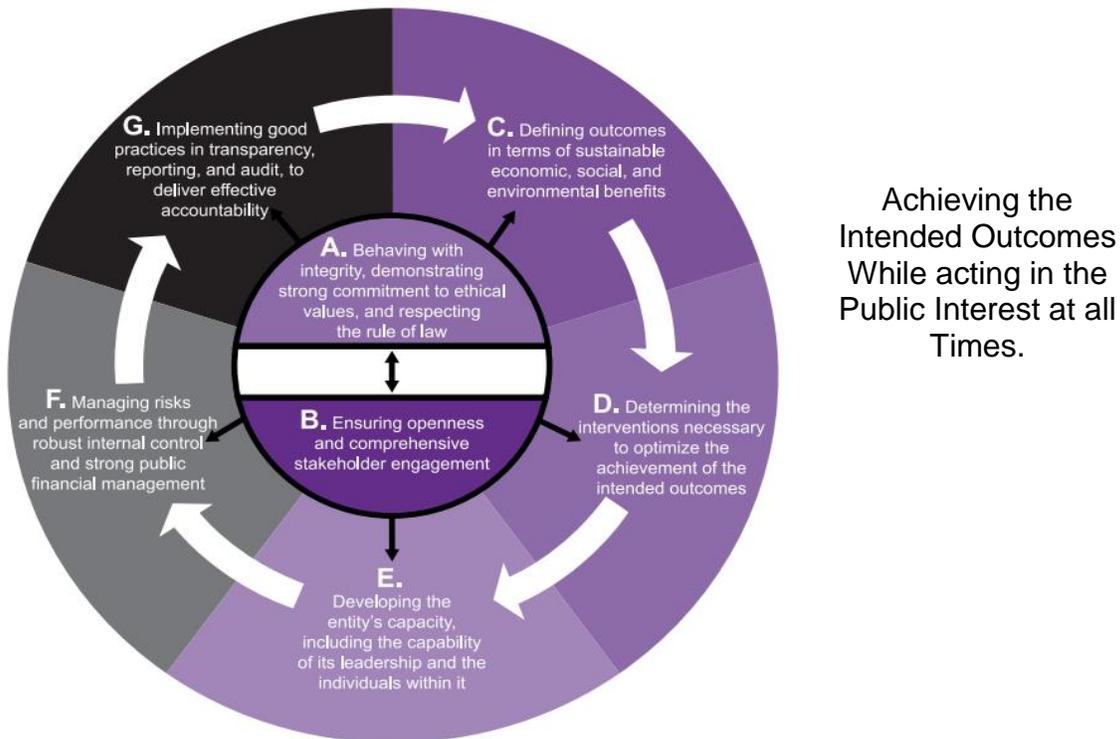
- Promoting fire safety
- Extinguishing fires
- Protecting life and property in the event of fires
- Rescuing people in the event of road traffic accidents
- Protecting people from serious harm, to the extent that it considers it reasonable to do so, in the event of road traffic accidents.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Authority has a corporate Governance Policy for 2016/17 approved at the Shadow Authority meeting of the Policy & Resources Committee in January 2016. It was reviewed and updated in June 2017 and submitted to the Authority for their approval, in light of changes made to the CIPFA (Chartered Institute of Public Finance and Accountancy)/SOLACE (Society of Local Authority Chief Executives) 'Delivering Good Governance in Local Government. In preparing this Annual Governance Statement, the CIPFA/SOLACE framework is used as the benchmark or standard by which to measure against.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services. An outline of the key principles is set out in the following model:



The system of Internal control is a key element of the framework and is designed to manage risk to a reasonable level. It cannot eliminate risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Key elements of our Governance arrangements

Dorset and Wiltshire Fire & Rescue Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Auditor's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The key areas of the governance arrangements include: -

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Members have agreed a clear set of values underpinned by a behaviour framework. This is a core element of the performance management system and underpins the appraisal process. The Authority has agreed an Equality, diversity and inclusion policy. Members also have a Code of Conduct that builds on the Seven Principles of Public Life (the Nolan Principles) and is included in the Members handbook and have agreed a development process that is currently being rolled out.

Officers have personal development and performance reviews, with all new members of staff required to attend a comprehensive induction and complete a probation process.

Values and behaviours are well communicated in public receptions and workplaces. They are included in core documents such as the corporate plan and more widely communicated via the website.

Members make a declaration of interest at each of their formal meetings as part of a standing agenda item. All formal meetings are supported by a Monitoring Officer. The Authority relies on the Standards committees of consistent authorities to avoid inefficient working.

Anti-fraud and corruption procedure exists and an annual assurance is provided by the Head of Finance. A register of interests and a register of gifts and hospitality is also maintained. The whistleblowing procedure has been made available to members of the public, employees, partners and contractors via the

website. The complaints procedure is well advertised and there is a structured process of Officer and Member scrutiny.

The Authority has agreed an Equality, diversity and inclusion policy. Decision-making is guided by the values agreed by the Authority which is overseen by the chair and the Monitoring Officer. Values are included in procurement procedures and practices. Protocols for partnership working are considered on a case-by-case basis within the framework of each partnership.

Members receive ethical awareness training as part of their constituent authority training programmes, which is supplemented by the Authority.

Members have agreed development process that is currently being rolled out. Relevant procedures exist and operate to attract, recruit and induct new members of staff. A procurement procedure includes the agreed values.

Statutory compliance remains at the centre of all planning and delivery discussions. Comprehensive assurance processes support the demonstration of this compliance. Members have referenced this within their constitution, policies and their handbook.

The roles of the key statutory officers have been agreed and detailed in the Members handbook. Compliance with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government occurs through an annual review against the 5 key principles and sub-principles within the CIPFA Statement, and assurance is given through the Annual Governance Statement.

Democratic services support structured and well governed committee processes and legal advice is provided by Dorset County Council through a Service Level Agreement. The Head of Legal Services provides the legal advice to members at each of their meetings.

Principle B: Ensuring openness and comprehensive stakeholder engagement

Values that incorporate this open culture have been agreed. A local transparency code exists and is monitored officers to ensure compliance. The Authority provides fully transparent reports that are available via its website or in hand form upon request. The Authority also produces an annual report. The monitoring officer and respective chairs ensure decision-making is open about actions, plans, resource use, forecasts, outputs and outcomes. A recent part II paper was recently challenged by Members and moved to Part I.

Meeting report templates clearly identify rationale, risks and resources and key decisions (part II only considered by exception).

All reports follow an agreed and structured process with clear agendas and proformas. Statutory officers and technical support are present to support Members in reaching their decisions. All formal meetings are supported by pre-briefings to further support sound decision-making. Calendar of dates exist and are monitored for submitting, publishing and distributing timely reports.

The priorities of the Authority have been aligned to the outcomes and success factors contained within key partnerships and partners. This supports the partnership working. Senior officer and members support. More work is necessary to support an external engagement strategy.

Officers have a process of structured attendance at key partnerships and local democratic arrangements such as Area Board and Localities. Officers shape and work within the partnership frameworks that exist on a case-by-case basis.

Both former Services had a good history of public consultation over significant issues affecting the community and external stakeholders. For the new Authority, the practice will continue whereby significant changes to service delivery affecting the public will be supported by a consultation process.

The Service has a structured process of external communication with the principal mechanisms being the website and face-to-face interactions at key partnerships and local democratic arrangements. The Service has drawn upon the joint needs assessment processes that exist. An evaluation framework is being developed to strengthen this relationship.

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

The Authority's Community Safety Plan sets a clear vision and intended outcomes. The Service delivery plan translates this through the Service down to individual teams via the planning, risk and performance management arrangements. The corporate plan is underpinned by the medium term finance plan.

The Community Safety Plan sets out the longer-term direction of the Authority and the outcomes for the community. Members and Officers receive regular and structures performance reports against all aspects of its priorities. These are tailored at a local level through Local Performance and Scrutiny Committee led by Members and accessible to members of the public. Members also have an electronic performance dashboard that is up dated on a daily basis. All performance reports are made available via the website.

The risks of achieving the Authority's priorities are identified and managed through Senior Officers and Members at the Finance, Governance and Audit Committee. Regular structured reports are considered. These are supported by the risk management systems.

Quality measures are in place for key aspects of both service delivery and support. In some cases, these are aligned to statutory standards.

The capital programme directly aligns to the Community Safety Plan. In support of longer-term planning there are number of associated plans in place or being reviewed and developed as part of the continued process of harmonisation (e.g. property, ICT, fleet). An integrated property strategy for land and buildings is being developed in harmony with wider public thinking such as the One Public Estate initiative within Wiltshire Council.

The Community Safety Plan and associated medium term finance plan acts over a four-year lifespan. Members have a regular programme of seminars to ensure a long-term trajectory is discussed.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Members and officers receive structured reports to support sound decision-making. Business cases outlining options for interventions are considered. All reports and considerations are aligned to the priorities of the Authority and have a risk assessment.

The Authority also has a structured and robust process of strategic and operational planning. This is supported by a performance framework comprising of key lines of enquiry, actions, projects and key performance indicators, and a structured process of performance review and monitoring supporting senior officer and Member decision-making.

The Service has a structured approach to internal engagement that has a clear delivery plan. This is monitored on a quarterly basis by senior officers; Internal Audit have reviewed the approach and delivery and have been very positive. Whilst media management, website and attendance at partnerships is considered good, there is more work to done to strengthen external communication and engagement.

Risk management is well developed within the Service and at the Authority. It is also a significant feature of other key partnerships. Where significant resource commitment may be needed then more careful assessment is undertaken.

Community risk is determined in consultation with Local Resilience Forums and an operational capability assessment is undertaken each year.

Delivery and planning arrangements are kept under constant review with regular monitoring. Key performance indicators operate at both corporate and departmental level and are integral to the performance management framework. An electronic performance system includes these KPIs and displays them on a daily basis to officers and Members. Members have a performance dashboard and receive quarterly performance reports.

The Service has a structured process of performance reporting. A central department is responsible for ensuring accurate and timely data to support this regime. Information management systems are currently being harmonised or aligned to support this regime.

The Financial Management Information System and arrangements are being combined across the Service. More work is needed to fully harmonise this, and internal audit have provided an adequate level of assurance on key financial controls.

The medium term finance plan and the associated budget setting process budget setting process is aligned to the Community Safety Plan and the strategic priorities and finance seminars with Members support this.

Our procurement procedures identify our commitment and adoption of the Public Service (Social Value) Act 2012, which ensures that pre -procurement deliberations are undertaken if there are economic, social and environmental well-being issues in connection with public services contracts. Further work is required in departments to consider 'social value' and how we report on.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

In support of longer-term planning there are number of associated plans in place or being reviewed/developed as part of the continued process of harmonisation (e.g. property, ICT, fleet).

The Service is engaged with a large number of local and regional partnerships to improve efficiency and effectiveness in delivering strategic priorities. These flow across all priority areas are reviewed regularly with key issues and opportunities discussed with Members.

The Service has a strengthening approach to workforce development and reform and succession planning with good arrangements for monitoring and managing day to day needs. Identifying, developing and displaying leadership is central to the approach to organisation development. An additional strategic priority has been included to strengthen the robustness and transparency of this investment in 'supporting our people'.

There are good working relationships between senior officers and members. This is supported by clear protocols, schemes of delegation and regular meetings. All

meetings have an associated brief to support this relationship. Member champions are in place and active.

Members and senior officers have recently reviewed and amended as appropriate the Scheme of delegation, standing orders and financial and contractual regulations. Clear protocols, schemes of delegation are in place to support the clarity of respective roles and responsibilities.

Members have an induction process and a programme of seminars to support their development in specific areas or understanding of new legislative requirements. Members have agreed a Member development procedure.

The chairs of committees attend external conferences, meetings and seminars to ensure that they have the right knowledge and understanding to drive effective decision-making.

There are assurance frameworks and regular performance reviews to help ensure mindfulness and self-awareness at an individual and organisational level. Succession planning is currently being strengthened at a strategic level.

Senior officers and Members are active at a national and local level to help ensure that Service and individual leaders are effective in their role. Both former Services had a good history of welcoming and responding positively to external challenge. This will continue as set out in our value and behaviour framework - RESPECT. The Service continues to work towards a number of external standards and accreditation with external reviews.

The health and safety policy agreed by the Authority in April 2016 sets out the key requirements and expectations for the Service. The assurance framework checks that the Service is continuing to deliver against the commitments made in our health and safety policy statement and ensures that the health and safety policy is demonstrated as reviewed annually. As such, it provides progressive improvements in health and safety throughout the Service. Our Health and Safety process having been inspected and assessed by the BSI and was identified as 'an example of good practice'. The Authority has committed to achieving BSI 18001 across the new Service by 2018. In addition, the Service monitors a suite of corporate indicators against a common performance tolerance through the Health, Safety and Welfare Committee; Strategic Leadership Team and the Finance, Governance and Audit Committee.

Principle F: Managing risks and performance through robust internal controls and strong public financial management

Risk management arrangements are integral to all aspects of the work of Members and officers. A clear policy, procedure and associated systems are in

place. These have been audited with favourable assurance. Decision-making is supported by risk assessments.

We have a Risk Management Policy and associated procedures which are reviewed in line with a corporate risk managed process and were last up dated in 2017 following a review by internal audit.

Performance management arrangements are in place to allow strategic intent to flow down to individuals. The performance framework includes key lines of enquiry, corporate targets and key performance indicators along with key activities to continue or strengthen performance. This is detailed in the Service delivery plan. This is supported by a corporate calendar to provide clear planning, monitoring and review arrangements.

All significant decisions taken by senior officers and Members follow an agreed democratic process that includes report pro-formas to capture key issues. All meetings are open public meetings and minutes are made available on the website and on the staff intranet site.

The Authority has a well-structured constitutional and democratic arrangement. These have been reviewed by Internal Audit and through the Governance Working Group and recently strengthened.

Scrutiny and oversight operates well with a good and open relationship between Members and Officers.

The democratic function is supported by a calendar of dates for submitting, publishing and distributing timely reports. This is overseen by the Head of Democratic Services, statutory officers and the Strategic Leadership Team. A comprehensive assurance framework is in place to support the Statement of Assurance required under the fire and rescue service national framework and the annual governance statement required under the Account and Audit Regulations. Supplementary assurance statements in key areas of the Service support these frameworks.

The Authority has established a Finance, Governance and Audit Committee with a clear set of terms of reference. Members receive training at each of its meetings. The Audit Committee complies with best practice and in line with Practical Guidance for Local Authorities and Police (CIPFA, 2013).

The Service has good arrangements for ensuring that effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data. A clear policy and supporting procedures are in place with specific responsibilities assigned to specialist roles and an information governance group to oversee these. An annual assurance further compliments quarterly performance reporting.

The Service has effective arrangements in place and operating effectively when sharing data with other bodies to support the delivery of its strategic priorities. Senior officers also participate in local and regional groups and have jointly supported the development of data sharing agreements.

A designated team ensure that data is accurate and timely to support performance management arrangements. Data validation occurs throughout the generation and reporting process. An information systems migration programme is currently harmonising management systems to ensure that quality data is provided to officer and Members.

The Service has arrangements in place for ensuring effective financial management is undertaken, with an overarching Financial Management Policy. The former two Services have had a history of good financial management, supported by very positive external audit opinions and value for money assessments.

The Financial Management Information System (Agresso) has been extended across the Dorset area and been upgraded on combination. Further work is needed to upskill, train and educate user departments (both new and existing) in basic financial management, planning and reporting. Internal Audit have assessed the Service as 'adequate', but we recognise the need for further development in the area of budget management.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Members and officers strive to ensure that reports are written in an understandable style for the intended audience. Officers have undertaken Plain English courses as part of the internal engagement strategy. The corporate plan and website were developed with support from specialists in this area.

The Authority is shortly to produce its first Annual Report to support the Statement of Assurance, Annual Governance Statement and Statement of Accounts.

All annual outturns and reports are scrutinised internally and then through Members who formally approve them. Improvements actions are identified and built into the planning, performance and risk management arrangements. All reports are made available via our website www.dwfire.org.uk.

The Authority has produced its first Statement of Accounts. Summarised performances data is included, in compliance with the accounting code of practice.

Both external audit and internal audit have direct access to Members and senior officers. All reports are presented to the Finance, Governance and Audit Committee. Improvements actions are incorporated into the performance

management system and overseen by the corporate assurance department and senior officers. Quarterly appraisal of performance against the improvement action occurs by Members.

Review of Effectiveness

Dorset & Wiltshire Fire and Rescue Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Auditor's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The Internal Auditor's annual opinion noted that in giving an opinion assurance can never be absolute, but there is reasonable assurance that there are no major weaknesses in the Authority's risk management, control and governance processes.

In addition to the annual review, all ongoing activities, including activities to strengthen governance, are integrated into the planning, performance and risk management arrangements. The delivery of these activities is reviewed monthly by managers and at least quarterly within forums and the Strategic Leadership Team. Activities to address weaknesses and ensure continuous improvement of the system are in place.

Significant Governance Issues and Risks

Much of the work over the last 12 to 18 months has been focused on the harmonisation of policies, procedures and practices and heavy investment in good governance. It is therefore pleasing to report that we have not identified any significant governance issues of major concern, and all the issues and concerns identified are being managed through action plans and the risk register.

Risks within the strategic risk register, along with any new emerging strategic risks are reviewed on a monthly basis and managed by the Strategic Leadership Team through its performance management process.

The strategic risk register is reported to the Finance, Governance and Audit Committee, who will monitor and make recommendations to the Fire Authority when necessary. On an annual basis, the strategic risks will be reported to the Fire Authority as part of the Annual Governance Statement for the new Authority.

The strategic risk register for the Authority currently contains the following risks:

1. Failure to secure a one team approach to the new Service.

2. Failure to have a competent and resilient workforce to meet the future needs of the service.
3. Failure to secure financial sustainability.
4. Failure to have a robust and financially sustainable on-call duty system to meet the needs of the Service.
5. Failure to deliver effective and efficient community safety

The risks within the Strategic Risk Register, along with any new emerging strategic risks will be reviewed on a monthly basis and managed by the Strategic Leadership Team.

The Strategic Risk register will be reported to the Finance, Governance and Audit Committee, who will monitor and make recommendations to then Fire authority if necessary.

On an annual basis, the strategic risks will be reported to the Fire Authority as part of the annual Statement of Assurance.

The strategic risk register for the Authority is available on the Service website at www.dwfire.org.uk.

Cllr Spencer Flower
Chairman

Ben Ansell
Chief Fire Officer
& Chief Executive