



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

Item 17/40

MEETING	Finance, Governance and Audit Committee
DATE OF MEETING	29 September 2017
SUBJECT OF THE REPORT	Statement of Assurance 2016/17
STATUS OF REPORT	For open publication
PURPOSE OF REPORT	For recommendation to the Authority
EXECUTIVE SUMMARY	Under the National Framework 2012, all Fire and Rescue Authorities are required to provide an annual statement of assurance. This statement needs to cover financial, governance and operational matters. Should this committee recommend this draft assurance statement, it will be taken to the Authority meeting in December for it to approve. It will then be published on the Service’s website along with a number of key hyperlinked documents to increase public transparency.
RISK ASSESSMENT	Failure to approve a robust statement of assurance and adhere to the expectations in the fire and rescue national framework may lead to reputational risks for the Authority.
COMMUNITY IMPACT ASSESSMENT	None for the purposes of this report
BUDGET IMPLICATIONS	None for the purposes of this report
RECOMMENDATIONS	Members are asked to: 1. Recommend the draft statement of assurance 2016/17 to the Authority for approval at its next meeting.
BACKGROUND PAPERS	1. Guidance on statements of assurance for fire and rescue authorities in England. Department of Communities and Local Government. May 2013. 2. Assurance statements: a) Baseline assessment against CIPFA/SOLACE code of

	<p>governance 2016</p> <ul style="list-style-type: none">b) Finance management including anti-fraud and corruptionc) Procurementd) Complaints including whistle-blowing arrangementse) Information management including transparency code compliance arrangementsf) Data qualityg) Risk managementh) Business continuityi) Industrial relationsj) Policy framework
APPENDICES	Appendix A – Statement of Assurance
REPORT ORIGINATOR AND CONTACT	<p>Name: Derek James, Director of Corporate Services</p> <p>Email: derek.james@dwfire.org.uk</p> <p>Telephone No: 01722 691072</p>

APPENDIX A

Item 17/40



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Dorset & Wiltshire Fire and Rescue Authority

Statement of Assurance

2016/17

1 Background

- 1.1 The [Fire and Rescue National Framework](#), issued in July 2012, sets out the requirement for all Fire and Rescue Authorities in England to publish an annual assurance statement on financial, governance and operational matters. In May 2013, Government produced guidance on how this statement might be formulated.
- 1.2 This statement of assurance provides a broad summary of the arrangements in place since forming our new organisation and highlights our areas of focus for 2016/17. In the interests of greater transparency, we have linked this statement to a number of key documents and supplementary assurance statements including:
- Finance management including anti-fraud and corruption
 - Procurement
 - Complaints including whistle-blowing arrangements
 - Information management including Transparency code compliance arrangements
 - Data quality
 - Health and safety
 - Risk management
 - Business continuity
 - Industrial relations
 - Operational assurance
 - Policy Framework
- 1.3 The statement is divided into assurances about the overall governance, financial and operational arrangements. It also sets out what our current and future challenges are and how we are taking these forward.

2 Governance assurance

- 2.1 Corporate Governance comprises of:
- The systems, processes, culture and values by which the Authority is directed and controlled; and
 - Those activities through which it accounts to, engages with and leads the community
- 2.2 Corporate Governance enables the Authority to monitor the achievement of its strategic priorities and to help ensure the delivery of appropriate and cost effective services. The system of internal control is an integral part of the governance arrangements designed to manage risk to a level within agreed tolerance limits.
- 2.3 To help us maintain good governance we have adopted a corporate governance policy that is underpinned by the principles within a framework developed by the Chartered Institute of Public Finance and Accounting and the Society of Local Authority Chief Executives. The framework has seven core principles, a number of supporting principles and suggestions for source documents/good practice that

may be used to demonstrate compliance. The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance arrangements including the system of internal control. This review of the effectiveness is informed by the work of senior managers within the Service; the internal and external auditor's annual reports; and also by comments made by the external auditors and other review agencies and inspectorates. We have undertaken a comprehensive [corporate governance baseline assessment](#) against this framework. This assessment also supports our additional requirement to publish an [Annual Governance Statement](#) to accompany our annual financial statements.

3 Financial assurance

- 3.1 The Finance, Governance and Audit Committee receive regular quarterly financial and audit reports. It is a statutory requirement under the Accounts and Audit (England) Regulations 2015 for all fire and rescue authorities in England to publish the financial results of their activities for the year. This '[Statement of Accounts](#)', shows the annual costs of providing the Service and is determined by a Code of Practice which aims to give a "true and fair" view of the financial position and transactions of the authority. To support these regulations an overarching financial management policy has been agreed and published. This policy sets out our approach to ensuring the sound financial management and control of our assets and finances. A number of supporting procedure documents have also been published. The Treasurer is responsible for the development of the Statement of Accounts prior to Authority approval and publication. To meet the requirements of the Accounting and Audit Regulations 2015 regulations, the draft Statement of Accounts is now published by the end of June with the final audited Statement of Accounts published by the end of September. This reporting timetable is to be accelerated next year so that the statement is published by the end of July 2018.
- 3.2 In order to secure a fixed level of central government grant funding for the 2016/20 financial years, the Service was required to submit an efficiency plan. This plan sets out how the Authority plans to improve the services it provides whilst managing with reduced real terms funding levels. The Efficiency Plan was submitted to the Home Office in October 2016 and approved by the Fire Minister in December 2016. As a result the Service has secured a four year settlement offer which will offer greater certainty over future funding levels
- 3.3 **External Audit Arrangements.** On an annual basis, the Statement of Accounts is subject to external audit scrutiny. Following a national procurement exercise (conducted by the Audit Commission), KMPG was appointed as the external auditors. KPMG is therefore responsible for the completion of the following assurance activities:
- Audit of the 2016/17 financial statements
 - Proposed opinion on the Authority's accounts
 - Proposed Value for Money conclusion

- 3.4 In their [interim report of June 2017](#) they have stated that “Based on the work of your internal auditors and the work we have performed over key financial systems, we have noted two recommendations, as documented in Appendix 1. Overall, the controls over the key financial systems are effective”
- 3.5 **Internal Audit Arrangements.** To support the External Audit process, the Authority has in place a robust system for internal auditing. An annual Internal Audit Plan is delivered across the Service and includes specialised key financial and ICT audits. Performance against the audit plan is reported to senior managers and Members on a quarterly basis, with a year end report produced in July. The internal audit service reviewed a number of areas during the year:
- Risk Management
 - IT Migration
 - Procurement
 - HR Workforce Planning
 - Information Governance
 - Fixed Assets and Inventories
 - Corporate Governance
 - Information Management System Migration
 - Health & Safety Migration
 - Absence Management
 - Complaints, Whistleblowing, Anti-Fraud, Corruption and Bribery
 - Key Financial Controls
 - Cultural Alignment and Development
- 3.6 In [internal auditor annual report](#) stated “that we are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness (or inadequacy and ineffectiveness) of the Authority’s risk management, control and governance processes. Overall in our opinion, based upon the reviews performed during the year, the Dorset & Wiltshire Fire and Rescue Authority:
- has adequate and effective risk management
 - has adequate and effective governance
 - has adequate and effective control processes
- 3.7 **Procurement.** The Service has in place a procurement procedure in place that addresses both revenue and capital procurement and how to procure goods, services and works including meeting the requirements of the Public Contracts Regulations 2015. The Treasurer is responsible for ensuring that the Service processes conform to the Regulations and Treaty principles. The procurement process spans the whole cycle from identification of need through to the contract or end of the useful life of an asset. Recent government analysis indicates that we are procuring at or below national average against a [standard basket of goods](#).

3.8 **Data Transparency.** The Service complies with the Government's ['Local Government Transparency Code 2015'](#) for releasing public data. The following arrangements are in place:

- A Freedom of Information Publication Scheme
- Publication of the annual statement of accounts
- Publication of all expenditure over £500
- Publication of all Government Procurement Card transactions
- Publication of Procurement Information
- Publication of land ownership
- Publication of Trade Union facility time
- Publication of a Pay Policy Statement including all senior employee salaries and the pay multiple
- Publication of fraud investigations
- Publication of Members' allowances and expenses
- Publication of External Audit reports
- Publication of all committee reports (other than those where a statutory exemption for publication applies)

4 Operational Assurance

4.1 We are required to comply with a range of laws and regulations. The key documents for us are:

- Fire and Rescue Services Act 2004
- Civil Contingencies Act 2004
- Regulatory Reform (Fire Safety) Order 2005
- Fire and Rescue Services (Emergencies) (England) Order 2007
- Fire and Rescue Service National Framework for England 2012

4.2 In broad terms our service delivery has three key components:

4.2.1 **Prevention.** Our prevention teams, station staff and volunteers work with partners to prevent fires from starting and to reduce the numbers of fire related injuries and deaths. Whilst our statutory duty is to prevent fires, we are firmly of the opinion that we have a key role to play in broader prevention areas such as road safety and health and well-being. As such, we are significantly involved in the health and well-being agendas across the new Service area running a wide range of education and engagement programmes. Key to this is the development of a new educational Safety Centre on the Wiltshire/ Swindon border, which will complement the existing facilities in Bournemouth and Weymouth.

4.2.2 **Protection.** We are the enforcing Authority for the fire safety requirements of the Fire and Rescue Services Act 2004 and the Regulatory Reform (Fire Safety) Order 2005, along with other related legislation. To ensure legal compliance our fire safety staff all have new warrant cards and we have procedures in place to ensure that we can operate effectively. Our fire safety inspectors are engaging with work and business, in preference to enforcing fire safety standards. Fire investigation

officers are carrying out investigations in conjunction with the police where appropriate and information is being collated for serious case conferences and for the use of HM Coroner as well as reducing the incidence of fire. As part of forming the new Service, we are currently embedding new working arrangements following our recent combination. This includes new processes and software to allow the acceptance of electronic building regulations submissions.

4.2.3 **Response.** Our provision of immediate emergency response consists of 73 front line fire engines operating from 50 fire stations across the Service. In addition, we have specialist resources which can be deployed at incidents that include:

- Command and control
- Hazardous materials
- Environmental protection
- Water rescue
- Animal rescue
- Rescue from confined spaces
- Rescue from height
- Marine firefighting
- National resilience

4.2.4 **Assurance.** In terms of our prevention and protection activities, we use sophisticated modelling and profiling techniques, coupled with partnership data, referrals, and local knowledge to identify those who are most at risk from fire and ensure appropriate interventions are made to educate and reduce risk. This helps us ensure that we maximise our efforts and impact and allows us to target areas outside of response standards a key part of our approach to integrated risk management planning. Safe and well checks are quality assured and there are follow up surveys with our wider prevention activities to help us assure the value of our efforts and to gauge our potential impacts. Protection visits are also targeted against risk and are both quality assured and audited. There is a significant assurance framework in place for assessing our operational capability. Operational competencies aligned to the fire professional framework form part of our Operational Licence which must be in date for all operational firefighters. Local variation in skill levels which are required to be at a higher level than the Operational Licence is managed on a risk basis and according to local risk and Service requirements. A structured approach is in place for the design, delivery and assessment for each element of the Operational Licence. Individuals are responsible for ensuring each element is achieved and kept in date.

4.2.5 The organisation recognises and accepts its responsibility for the health, safety and welfare of its employees and others who may be affected by its activities. To achieve this, the organisation looks to meet all relevant requirements of the Health & Safety at Work Act 1974 (together with all other statutory provisions associated with it) and support staff in meeting their obligations under the Act. Detailed health, safety and welfare specific arrangements are set out in procedures that are developed to take account of relevant legislation and guidance. The procedures provide employees with relevant and comprehensive information on the risks they

face and the preventative and protective measures required to control them. A robust system for actively monitoring the effectiveness of the organisations Health and Safety Management procedures is in place. The process includes the maintaining the BSI 18001 health and safety standard for the southern part of the Service. The arrangements to achieve this standard is currently being rolled out across the new Service with the aim of achieving whole Service accreditation by the end of 2018. A comprehensive accident investigation system ensures all safety events are reported and investigated with corrective action completed as required, the system in place enables detailed analysis of safety events to identify trends which further enhances a proactive health and safety management system.

- 4.2.6 We are currently undertaking an organisational assessment against the Fire and Rescue Equality Framework. The result of this will form the basis of our Equality and Diversity Assurance Report and underpinning action plan to achieve a good level of assurance.
- 4.2.7 All stations and departments have key activities along with key performance indicators for prevention, protection and response. Whilst Service wide performance is reported by officers and scrutinised by Members at Authority level, to ensure that local accountability for Operations across a large service, four Local Performance and Scrutiny Committees have been established for Bournemouth and Poole; Dorset; Swindon and Wiltshire. The principle is to provide a mechanism for ensuring local accountability, focus and on-going support for matters relating to the geographical areas of the five constituent local authorities. These public meetings are held on a quarterly basis with performance information and reports available from our website which also hosts our community performance dashboard.
- 4.2.8 The Service is involved in effective multi-agency liaison arrangements, joint exercises and the sharing of resources which contribute to an enhanced incident response. Effective arrangements are in place to collaborate with partners through Local Resilience Forums (LRFs), the National Inter-Agency Liaison Officers (NILO) network, the Joint Emergency Services Interoperability Programme (JESIP), the Critical National Infrastructure (CNI) and Safety Advisory Groups which support multi-agency planning activity. We work closely with our Local Resilience Forums to help us meet our obligations under the Civil Contingencies Act and are the employing body for the Dorset Civil Contingencies Unit. We align our risk management arrangements to the [community risk registers](#) to ensure that we have the appropriate response and recovery plans and resources to meet our duties. Multi-agency and service based exercising takes place to test these arrangements.

5 Current and future challenges

- 5.1 Responsibility for the fire and rescue service has moved from the Department of Communities and Local Government to the Home Office and the Home Secretary announced the intention for Fire Reform. The Authority will need to ensure that it supports and meets the requirements coming from the reform. As part of this, a

new inspection regime has been proposed and the Service is preparing to meet the new requirements. In addition, when Authority was formed we brought together the former Dorset FRA and the former Wiltshire and Swindon FRA on an equal basis to form an Authority of 30 members. Fire Reform brings with it a focus upon how the Authority can contribute best to the effective and efficient provision of the Service. As part of this DWFRAs has agreed to apply to the Home Secretary for a variation to the Combination Order to form a smaller Authority of 18 members. We now need to translate this into governance arrangements and an approach which best support the delivery of effective and efficient services across the areas of five constituent local authorities.

The following challenges that align to our Strategic Risk Register have been identified that impact the Authority in the next 12 months:

- 5.1.1 **Securing a one-team approach for the new Service.** As a newly formed organisation, there is still a great deal of work to unify our culture and ways of working. We have a significant work programme to help grow a single culture and a one-team approach. We have established a comprehensive approach to staff engagement to help us build this and are forming our future approach to management and leadership development. To help create a one-team approach, we also have a large number of management systems and processes to bring together. In doing this we want to exploit the better use of technology to help drive greater efficiency and flexibility for our staff. This work continues a pace and remains a key focus for us over the next few years.
- 5.1.2 **Maintaining a competent and resilient workforce to meet the future needs of the Service.** We remain committed to having a competent, diverse and resilient workforce. To help us achieve this we are strengthening our strategic workforce plan to ensure that over the next few years we are better forecasting our needs and appropriately recruiting firefighters, corporate staff, apprentices and volunteers. In support of this, we are strengthening our approach to leadership, talent management and progression. We are also doing a great deal of work to help us attract and retain a more diverse workforce in line with our commitments to equality, diversity and inclusion. In common with other organisations with 250 or more employees we will soon be required to report the overall gender pay gap between all men and women.
- 5.1.3 **Securing financial sustainability.** All public services are having to operate with less money and the Authority is no exception. In spite of our combination, we received the fourth worst financial settlement for Combined Fire Authorities in England and Wales (27%) with significant frontloading requirements. Around £4-4.5m of likely annual savings was to be targeted from the combination along with a review of crewing arrangements for whole time appliances of £1.5m to help set a balanced budget. We achieved through our efficiency plans, £4m worth of cashable and non-cashable savings in order to help balance the 2016/17 budget. The main areas for savings have been through senior management reviews, the rationalisation of non-station based staffing and flexi duty officers, establishing a single Service Control Centre and the remainder through other areas, such as

property sharing initiatives, smarter working practices and changes in procurements and contracts. We have sufficient and adequate reserves and we are working on achieving the remaining changes to service delivery to ensure a balanced budget for future years.

- 5.1.4 **Ensuring a robust and financially sustainable on-call duty system to meet the needs of the Service.** Over 80% of our appliances are crewed by on-call staff who balance their time between their primary employer and our Service. To help us ensure that we have these firefighters available, we are reviewing our recruitment processes and employment practices to maximise the opportunities for a greater range of applicants to the Service. We are also seeking to systematically reduce the level of administration to help achieve a better work-life balance for those working this duty system. In addition, we are investing in a salaried scheme to make the duty system more attractive and sustainable.
- 5.2 To meet these challenges, we have initiatives and actions that are included in our service delivery plan. Progress is reviewed via the Strategic Risk Register by the Finance, Governance and Audit Committee at each of its meetings. Reports are available via the Service's website.

6 CONCLUSION

- 6.1 We believe that this statement of assurance provides a good overview of how we maintain high standards of good governance and services to the communities we serve. We are satisfied that the systems and processes that are in place across the organisation fulfil the requirements under the national framework. Should you have any queries or require any further information, please do not hesitate to contact us and we will be more than happy to help.

Cllr Spencer Flower
Chairman

Ben Ansell
Chief Fire Officer
& Chief Executive