

DERBYSHIRE FIRE AND RESCUE AUTHORITY
ANNUAL GOVERNANCE STATEMENT 2018/19

Scope of Responsibility

Derbyshire Fire and Rescue Authority (the Authority) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs and ensuring that there is a sound system of governance (incorporating the system of internal control); facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The Authority has approved and adopted an updated Local Code of Corporate Governance, which is consistent with the principles of the **CIPFA/SOLACE** Framework:

“Delivering Good Governance in Local Government.”

Included within the Code are the following core principles:-

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
2. Ensuring openness and comprehensive stakeholder engagement
3. Defining outcomes in terms of sustainable economic, social, and environmental benefits
4. Determining the interventions necessary to optimise the achievement of the intended outcomes
5. Developing the entity’s capacity, including the capability of its leadership and the individuals within it
6. Managing risks and performance through robust internal control and strong public financial management
7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

(A copy of the code, setting out the core and supporting principles, what the Authority commits itself to do and how it will do this can be found on our website at:

https://www.derbyshire.gov.uk/files/6515/6215/4771/Local_Code_of_Corporate_Governance_.pdf

This statement explains how the Authority has complied with the code and also meets the requirements of regulation 6(2) of the Accounts and Audit Regulations 2015 in relation to the publication of a statement on internal control.

The Purpose of the Governance Framework

The Governance Framework primarily includes systems and processes and culture and values by which the Authority directs and controls its activities and engages with 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.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all 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 on-going 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.

The Governance Framework has been in place at the Authority for the year ended 31 March 2019 and up to the date of approval of the 2018/19 Statement of Accounts.

The Governance Framework

The Governance Framework describes the key elements of the systems and processes that comprise the Authority's governance arrangements in accordance with the seven principles of Corporate Governance included in our Code and include:-

- The Integrated Risk Management Plan (IRMP) describes our aims, priorities, equality objectives and values, setting out our ambitions and how we will deliver them in the medium term. The current plan covering 2017-2021 can be found on our website at:

https://www.derby-fire.gov.uk/files/2614/9034/9128/IRMP_2017-2021.pdf

- An Integrated Risk Management Programme Board provides oversight across servicewide projects.
- The Annual Service action plan details the activities we will undertake to deliver the strategy set out in our IRMP. The current plan covering 2019/20 was approved this year and can be found on our website at:

https://www.derby-fire.gov.uk/files/8015/5679/5214/IRMP_Service_Action_Plan_2018-2019_Year_3_of_4.pdf

- A Communication Strategy and Consultation Strategy for employees and stakeholders;
- A Statement of Assurance and Annual Report setting out the Authority's priorities, how the Authority spent money on achieving these during the last financial year.

- The Authority operates a Committee Structure aligned to strategic objectives, with agreed Terms of Reference, as follows:-
 - The Governance, Performance and Working Group (GPWG) Audit Committee – to advise on the adequacy and effectiveness of the Authority's Internal and External Audit Service and risk management arrangements, which operates in line with the core functions identified in CIPFAs Audit Committees – Practical Guidance for Local Authorities;
 - Members Standards Committee – to provide advice and training for Members and Co-opted members regarding matters relating to the Members Code of Conduct and ethics
 - Inclusion and Equality Forum Committee - to monitor and constructively challenge evidence of performance progress against objectives in the Diversity & Inclusion Strategy and associated Fire and Rescue Service Equality Framework.
- Clear management structure within the Service. The Executive Board, comprising the Chief Fire Officer (head of paid service), Deputy Chief Fire Officer, Solicitor and Monitoring Officer, Joint Director of Finance and four Area Managers, is responsible for determining policy, monitoring performance and developing service plans in line with the Authority's overall strategic objectives and is assisted in this process by the Service Management Team;
- The Combination Scheme Order, Standing Orders, Terms of Reference of individual Committees, Scheme of Delegation and Financial Regulations establish overall arrangements for policy setting and decision making and the delegation of powers to members and officers;
- Comprehensive suite of strategies and policies in place and regularly reviewed;
- Codes of Conduct for members and officers, and member/officer protocol, that set out clear expectations for standards of behaviour;
- Both the Monitoring Officer and Joint Finance Director are involved in the Authority's decision making process, and ensure compliance with established policies, procedures, laws and regulations; All Authority reports are considered for human resource, financial, business risk, environmental and equality and diversity implications in order to identify key issues;
- The Joint Finance Director's role and financial management arrangements align with requirements set out in CIPFAs Statement on the Role of the Chief Financial Officer in Local Government;
- Well publicised arrangements for dealing with complaints and whistle-blowing, and for combating fraud and corruption;

- A Risk Management Strategy and framework which ensures that risks to the Service's objectives are identified and appropriately managed;
- Comprehensive Business Continuity arrangements are in place and tested on a regular basis;
- A framework to review potential partnership arrangements utilising set criteria prior to entering into such arrangements;
- Compliance with data transparency requirements, including publication of all key documents, committee agenda and minutes, pay policy and publication scheme on the internet;
- Regular assessment of training & development needs of both members and officers, including appropriate appraisal system. Sufficient budget to meet relevant training requirements;
- Comprehensive service review process in place, comprising external views in the form of HMICFRS Inspection/Peer Assessment/Operational Assurance review, External Audit reviews, Internal Audit reviews and internal reviews undertaken by our own staff.

Review of Effectiveness

The 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 GPWG within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Auditors annual report, and also comments made by the External Auditors and other review agencies and inspectorates.

In maintaining and reviewing the effectiveness of the Authority's governance arrangements the following have been considered:-

- The Integrated Risk Management Plan covers the four year period 2017-2021. A new IRMP covering the period 2020-2023 is currently being prepared for consultation Q4 2019.
- A revised Annual Service action plan has been agreed for 2019/20, providing clarity, both internally and externally, on our priorities set out in the IRMP, as well as setting out the projects and actions that will be delivered, developed or reviewed during the coming year against each of our priorities. This is supported by Local Delivery Plans and area and local performance groups to ensure performance targets are met.
- Collaboration between DFRS and Derbyshire Constabulary drafted and approved at Joint Executive Board. Joint Collaboration board established, reporting through to Members.

- DPFPP LLP Board comprising of DFRS and Derbyshire Constabulary monitor the operation of the Joint Headquarters and Training Centre, governed by an LLP Agreement.
- An Operational Assurance Team undertake a programme of service wide station assurance visits to identify areas for improvement and track these through to completion, publicising any improvements through a regular newsletter, thus enhancing operational preparedness, operational response and operational learning.
- Central Midlands Audit Partnership, our Internal Auditor, have identified some risks with data security. A comprehensive audit plan has provided assurance these risks have now been mitigated and control are in place and Internal Audit have issued an overall opinion for 2018/19 that there is a 'Satisfactory System of Internal Control' in place.
- Ernst & Young LLP, our External Auditor, have identified a significant issue which they view as relevant to our value for money risks as securing financial resilience. Ernst & Young LLP's external audit plan details their audit approach to review the adequacy of major assumptions made in the Medium Term Financial Plan.

Conclusion

In line with the recommendations made from our Internal and External Auditors we are satisfied that governance processes are in place and will remain effective. The Annual Governance Statement is therefore recommended to the Authority for approval.



Signed.....

Terry McDermott – Chief Fire Officer / Chief Executive of Derbyshire Fire & Rescue Service



Signed.....

Councillor Kevin Buttery - Chair of Derbyshire Fire & Rescue Authority