

DRAFT STATEMENT OF ASSURANCE 2015/16



PRESENTED TO: **AUDIT & GOVERNANCE COMMITTEE**

DATE OF MEETING: **28TH SEPTEMBER 2016**

OFFICER PRESENTING REPORT: **DEPUTY CHIEF FIRE OFFICER;
TREVOR FERGUSON**

1. PURPOSE AND SUMMARY OF REPORT

- 1.1. To provide Audit & Governance Committee with a draft copy of the Statement of Assurance for the financial year 2015/16.
- 1.2. The Statement of Assurance process demands that Royal Berkshire Fire Authority formally confirm the adequacy of arrangements for the effective management of financial, governance and operational matters in Royal Berkshire Fire and Rescue Service, furthermore the statement confirms the extent to which the requirement of the *Fire and Rescue National Framework for England (July 2012)* have been met.

2. RECOMMENDATIONS

That the Audit & Governance Committee:

- 2.1. **NOTE** the summary judgements within the Statement of Assurance for each of the four key areas of finance, governance, operations and delivering the National Framework.
- 2.2. **AGREE** to recommend to the Fire Authority the publication of the RBFA Statement of Assurance 2015/16.

3. BACKGROUND AND SUPPORTING INFORMATION

- 3.1. This is the fourth annual Statement of Assurance for RBFA has issued. The process for the production of the Statement has remained the same to enable year on year comparison.
- 3.2. This is the second year which has seen the operational element of the statement of assurance being subject to external moderation by a team from Cambridgeshire Fire and Rescue Service. In their feedback they highlighted the quality of the self-assessment and internal moderation findings, showing in their opinion a very self-aware organisation and also noted the considerable progress that had been made in the previous twelve months. A comparison of the findings from the 2014/15 and 2015/16 statements are shown in 3.5 below.
- 3.3. The following summary judgements have been made for each of the key areas of focus:

- 3.3.1. **FINANCIAL** – requirements associated with the appropriate management of financial matters were **fully met**. Evidence to support this is set out in appendix B.
- 3.3.2. **GOVERNANCE** – requirements associated with appropriate business practice, high standards of conduct and sound governance were **substantially met**. Evidence to support this judgement, information on identified areas for improvement and details of next steps taken to address them are set out in appendix C.
- 3.3.3. **OPERATIONAL** – requirements associated with operational matters were **fully met**. Evidence to support this judgement, information on identified areas for improvement and details of steps taken to address them are set out in appendix D.
- 3.3.4. **NATIONAL FRAMEWORK** – requirements associated with the Fire and Rescue National Framework for England (July 2012) have been **fully met**. Evidence to support this judgement is set out in appendix E.
- 3.4. Further assurance is provided via internal audit activities. These are completed by both an external company and using internal resources. See appendix F for a list of internal audits carried out.
- 3.5.

Evidence	2014/15	2015/16
Financial	Fully Met	Fully Met
Governance	Substantially Met	Substantially Met
Operational	Substantially Met	Fully Met
National Framework Requirements	Substantially Met	Fully Met

4. FINANCIAL, LEGAL, RISK MANAGEMENT, ENVIRONMENTAL AND EQUALITY IMPLICATIONS

- 4.1. There are no direct financial implications arising from this report.
- 4.2. The Fire and Rescue National Framework Document is produced by the Secretary of State as a requirement of the Fire and Rescue Service Act 2004. The Framework document requires the Fire Authority to publish a Statement of Assurance by 31st March 2017.
- 4.3. The Statement of Assurance demonstrates a Fire and Service has identified the risks it faces and where appropriate are taking the necessary steps to mitigate them.
- 4.4. There are no environmental issues arising from this report.
- 4.5. There are no legal implications arising from this report.

5. COMPLIANCE WITH STANDING ORDERS / FINANCIAL REGULATIONS

- 5.1. There are no issues with compliance with standing orders or financial regulation.

6. CONTRIBUTION TO STRATEGIC COMMITMENTS

- 6.1. Commitment 1 – We will educate people on how to prevent fires and other emergencies, and what to do when they happen.
- 6.2. Commitment 2 – We will ensure a swift and effective response when called to emergencies.
- 6.3. Commitment 3 – We will ensure appropriate fire safety standards in buildings.
- 6.4. Commitment 4 – we will seek opportunities to contribute to a broader safety, health and wellbeing agenda.
- 6.5. Commitment 5 – We will ensure that Royal Berkshire Fire and Rescue Service provide good value for money.
- 6.6. Commitment 6 – We will work with Central Government to ensure a fair deal for Royal Berkshire.

7. ASSESSMENT AGAINST THE PARTNERSHIP FOR COMMON SENSE

- 7.1. There are no direct impacts from this report on the partnership for common sense.

8. BACKGROUND PAPERS

There are a large number of background documents referenced in the Statement which are shown as hyperlinks. These documents are not attached with this paper but can be made available in hard copy or electronic format on request.

9. CONSULTATION WITH STATUTORY OFFICERS

9.1. Chief Fire Officer/ Chief Executive

The Chief Fire Officer was consulted on the content of this report.

9.2. Head of Finance & Procurement

The Head of Finance and Procurement was consulted on the content of this report.

9.3. Monitoring Officer

The Monitoring Officer sponsored this report and was consulted on the content.

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Date of report: 16th September 2016



Royal Berkshire Fire Authority
Statement of Assurance 2015/16

Published Oct 2016



Royal Berkshire Fire Authority Statement of Assurance 2015/16

1.0 Purpose

The purpose of this Statement of Assurance is for Royal Berkshire Fire Authority (RBFA or FA) to formally confirm the adequacy of arrangements for the effective management of financial, governance and operational matters in Royal Berkshire Fire and Rescue Service (RBFRS), further more the statement confirms the extent to which the requirement of the *Fire and Rescue National Framework for England* – (July 2012) have been met.

2.0 Structure

The Statement of Assurance is structured such that headline judgements are made about the adequacy of arrangements associated with financial, governance and operational matters as outlined in the Department for Communities and Local Government document, *Guidance on statements of assurance for fire and rescue authorities in England*. These judgements confirm whether necessary standards are being Fully, Substantially, or Partially met. Definitions of the terms 'Fully', 'Substantially' and 'Partially' can be found in **Appendix A**.

The judgements are then supported by information contained in attached Appendices. Where appropriate the appendices also include details of steps that have been, or will be, taken to address identified areas for improvement.

A number of supporting documents are referenced throughout this document and a list of hyperlinks to these is included in **Appendix G**.

In making these judgements RBFA have instructed independent auditors to review both Financial and Governance matters and details of their feedback can be found in Appendices B & C respectively.

For Operational matters and adherence to the National Framework, RBFA have used a combination of external audit and internal audit to make an informed judgement. Details of the feedback can be found in appendices D & E

3.0 Summary Judgements

3.1 Financial Matters

It is the view of RBFA that, at the end of the 2015/16 financial year, requirements associated with the appropriate management of financial matters were **fully met**.

Evidence to support this judgement is set out in **Appendix B**.

3.2 Governance Matters

It is the view of RBFA that, at the end of the 2015/16 financial year, requirements associated with appropriate business practice, high standards of conduct and sound governance were **substantially met**.

Evidence to support this judgement, information on identified areas for improvement and details of steps taken to address them are set out in **Appendix C**.

3.3 Operational Matters

It is the view of RBFA that, at the end of the 2015/16 financial year, requirements associated with operational matters were **fully met**.

Evidence to support this judgement, information on identified areas for improvement and details of steps taken to address them are set out in **Appendix D**.

3.4 National Framework Requirements

It is the view of RBFA that at the end of the 2015/16 financial years, the requirements associated with the Fire and Rescue National Framework for England have been **fully met**.

Evidence to support this judgement, are set out in **Appendix E**.

3.5 Assurance

RBFA gets assurance on its business through a programme of audit. Information on the 2015/16 audits, are set out in **Appendix F**.

4.0 Signatures

Councillor Colin Dudley

Chairman – Royal Berkshire Fire Authority

Councillor Iain McCracken

Chairman – Audit and Governance Committee

Appendix A – Definitions of Overall Judgement

Fully	The requirements of applicable legislation and guidance are being consistently met.
Substantially	The requirements of applicable legislation and guidance are mostly being met. Where legislation and guidance are not being met there is minimal risk to the Fire Authority discharging associated duties and powers for the provision of a fire and rescue service.
Partially	The requirements of applicable legislation and guidelines are being inconsistently applied exposing the Fire Authority to considerable risk in discharging the necessary duties and powers associated with the provision of a fire and rescue service.

Appendix B - Finance

It is the view of RBFA that, at the end of the 2015/16 financial year, requirements associated with the appropriate management of financial matters were **fully met**.

The 'Guidance on statements of assurance for fire and rescue authorities in England' states that in order to provide assurance about the adequacy of arrangements associated with financial matters:

Fire and rescue authorities are responsible for ensuring that their business is conducted in accordance with the law and proper standards, and that public money is properly accounted for and used economically, efficiently and effectively.

It is a statutory requirement under the Accounts and Audit (England) Regulations 2011 for authorities 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. The authority is responsible for approval of the statement of accounts prior to publication.

The statement of assurance may briefly set out what assessment procedures are in place with regard to the authorities' statements of account.

Evidence in Support of Judgement

RBFA have contracted an external auditor to audit the [statement of accounts](#). The letter issued by the auditor in relation to these accounts confirms their assurance opinion on the financial matters of the authority.

Review of Financial Improvements Stated in 2014/15 Statement of Assurance

The annual audit letter for 2014/15 identified no financial improvements for 2015/16

Areas for Future Improvement

The annual audit letter for 2015/16 identified no financial improvements for 2016/17.

Appendix C - Governance

It is the view of RBFA that, at the end of the 2015/16 financial year, requirements associated with appropriate business practice, high standards of conduct and sound governance were **substantially met**

The 'Guidance on statements of assurance for fire and rescue authorities in England' states that;

The Accounts and Audit (England) Regulations 2011 also requires authorities to prepare an annual governance statement in support of this statement of accounts. This governance statement is an expression of the measures taken by the authority to ensure appropriate business practice, high standards of conduct and sound governance. The statement of assurance may set out what work authorities have undertaken to review the effectiveness of their governance framework, including the system of internal control.

Greater transparency is a key element of the Framework and is at the heart of the Government's commitment to enable the public to hold their authorities to account for the way they spend public money. In preparing the statement of assurance, fire and rescue authorities may consider the principles of transparency set out in the Code of Recommended Practice for Local Authorities on Data Transparency.

Evidence in Support of Judgement

RBFA have contracted an external auditor to audit the governance arrangements of the authority. The authority undertakes an annual assessment of the governance arrangements using the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The External Auditor also undertake their assessment of compliance against these standards.

The 2015/16 annual governance statement of the authority can be accessed using the following link [Annual Governance Statement](#). Page four of the governance statement confirms assurance in the governance arrangements.

The auditors opinion for the governance arrangements for 2015/16 is as follows:

'The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.'

Review of Governance Improvements Stated in the 2014/15 Statement of Assurance

Previous Identified Governance Improvement	RBFA Action Taken
1. Chief Financial Officer	The Corporate Management Team restructure resulted in the disestablishment of the Director of Resources post which incorporated the role of Chief Financial Officer. This role is now undertaken by the Head Of Finance and Procurement which ensures that the Authority continues to meet its obligations under section 112 of the Local Government Finance Act 1988.
2. Compliant Purchasing and Effective Contract Management	One of the aims of the Authority's 2019 Vision is to increase capacity, capability and resilience. Rather than have a purely centralised procurement team, a decision was taken to devolve responsibility for procurement below £50,000 to Heads of Service to increase understanding of procurement processes. Training will also be provided to ensure effective contract management by Heads of Service.
3. Information Assurance and Information Technology	The draft IT strategy was approved by Audit and Governance Committee. An IT health check was completed by Aristi. Following this an Information Governance Implementation Plan implemented (through the IRMP Programme Board) looking at all aspects of I.G. including security, data sharing agreements and 3 rd Party data.
4. The Authority's budget and impact of year on year savings	The Authority's Medium-Term Financial Plan has underpinning planning assumptions for council tax precept levels, business rates, government grant and inflation. Different scenarios were produced with associated savings targets for both frontline and support functions.

Areas for Future Improvement in 2016/17

Identified Governance Improvement Areas

Areas relating to budget management. Budgets will be devolved to middle managers give greater accountability at this level and support the delivery of 'Vision 2019' within the Corporate plan Training will be delivered to all senior and middle managers to support the introduction of greater devolution of budgets in Quarter 1 2016/17.

Areas relating to procurement.

We are in the processes of revising our Contract Standing Orders with approval in the Quarter 2 of 2016/17. Training will be provided for all relevant staff.

Areas relating financial regulations. As part of the new ways of working indicated in the Corporate Plan 2015-19, we will fully revise the Financial Regulations in early 2016/17 to provide a transparent framework for staff to operate within.

Appendix D - Operations

It is the view of RBFA that, at the end of the 2015/16 financial year, requirements associated with operational matters were **fully met**.

The 'Guidance on statements of assurance for fire and rescue authorities in England' outlines the following matters to be incorporated within the statement of assurance related to operational arrangements:

A. Fire and rescue authorities already consult on, and publish, their integrated risk management plans, which set out local strategies including cross-border, multi-authority and national arrangements where appropriate. The statement of assurance should include details of consultation on these plans, and confirm that appropriate information was provided to enable active and informed participation.

B. The statement of assurance may also indicate where fire and rescue authorities have entered into agreements and/or mutual aid arrangements with other relevant bodies. The level of detail included will be a matter for each individual fire and rescue authority and may be linked to their integrated risk management plan.

C. It is not the aim of statements of assurance to set out the operational procedures for fire and rescue authorities. However, statements of assurance are the appropriate vehicle with regard to specific events which raise issues of operational competence or delivery. For example, when advice is received under health and safety or other legislation, it is appropriate for the fire and rescue authority to use the statement of assurance as a means to inform their communities that these matters have been considered and, where appropriate, acted on.

Areas to support Judgement

A. Integrated Risk Management Plan

The Corporate Plan 2015-2019 includes our [Integrated Risk Management Plan](#). We have a statutory duty under the Fire and Rescue Service National Framework 2012 to produce a plan to 'identify and assess all foreseeable fire and rescue related risks' at a county, regional and national level. The plan brings together our three strands of Service Delivery; prevention, protection and response. It includes the community safety strategies, the approach taken toward enforcement of fire safety legislation and our plans to ensure the right resources are in the right place at the right time to respond to any emergency.

The public and any other stakeholder must be consulted on the content of the plan and are consulted again if we plan to change the service we currently deliver.

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The consultation must be undertaken in accordance with the legal principles of consultation and current government guidance. The responses received to any consultations are considered by the Fire Authority before any decision is made.

RBFRS has a consultation strategy and the responses from the IRMP 205-2019 consultation are contained in the following report:

- [IRMP consultation summary report](#)

The Local Resilience Forum was set up under the Civil Contingencies Act 2004 and established a framework for emergency planning and response ranging from local to national level. The Thames Valley LRF identify is achieved using local intelligence, historical incident data, and information available from the Local Resilience Forum's [community risk register](#).

B. Mutual Aid Agreements

RBFA has mutual aid agreements with each of the neighbouring fire and rescue services whereby:

- In the event of a significant emergency, RBFA can request additional resources from neighbouring fire authority.
- Should the address of an emergency be closer to a fire engine from a neighbouring fire authority, a request will be made for that fire engine to attend the incident.
- Specialist equipment and trained personnel can also be requested from other fire and rescue services to attend significant emergencies in Berkshire.

In the event of a national emergency elsewhere in the country, RBFA has the following specialist resources that can be deployed to assist those in need:

- An incident response unit, to support a large scale hazardous substance incident
- A high volume pump, to support a large scale flooding incident
- A water rescue unit, to support rescues from large scale flooding incidents

C. Specific Events

RBFA actively monitors how the service is delivered to the community of Berkshire through a variety of systems including:

- Regular performance reports
- Structured debriefs for large scale or unusual emergencies/events

Appendix D

- Feedback from staff to identify improvements on how the service can be delivered.
- Attendance at significant emergency incidents by managers to monitor the performance of the fire fighters.

RBFA ensures that all relevant matters arising from the above areas are considered and where appropriate changes are made to improve the way the community is served throughout Berkshire.

D. Review of Operational Improvements Stated in 2014/15 Statement of Assurance

In February 2014 at the invitation of RBFA a Local Government Association peer challenge team spent a week in RBFA and RBFRS to undertake a peer review of the service.

The purpose of the peer challenge is to provide RBFA and RBFRS with a critical friend assessment of how the organisation is working. The peer challenge provided feedback on the operational self assessment (OpA) completed by RBFRS against a set of national standards as well as feedback on four areas of the organisation that RBFA asked the peer team to specifically look at in some more detail.

The objective of the peer process is:

The OpA self-assessment process is designed to:

- *form a structured and consistent basis to drive continuous improvement within the Fire and Rescue Service, and*
- *provide elected members on fire authorities and chief officers with information that allows them to challenge their operational service delivery to ensure it is efficient, effective and robust.*

In addition to undertaking OpA self-assessment the sector led peer challenge process is part of the LGA and Chief Fire Officers' Association (CFOA)'s approach to self-regulation and improvement which aims to help councils and FRAs strengthen local accountability and revolutionise the way they evaluate and improve services. Peer Challenge is a voluntary process that is managed by and delivered for the sector; it is not a form of sector-led inspection.

RBFA agreed with the peer team that they would look in detail at the following key areas of the organisation:

- leadership and corporate capacity
- risk management
- operational risk management
- training and development

Appendix D

The OpA self assessment requires RBFA and RBFRS to self assess the work of the organisation against the following headings:

- Outcomes for citizens
- Prevention
- Protection
- Response
- Health & Safety
- Call Management and Incident Support

The [peer review team report](#) was published in September 2014 and following two years of proactive work all the recommendations arising from the peer review have been completed, allocated to directorates and incorporated into annual service plans or aligned into two separate work programmes (organisational development programme board or the IRMP programme board).

No further actions are outstanding.

Appendix E National Framework

It is the view of RBFA that at the end of the 2015/16 financial years, the requirements associated with the Fire and rescue national framework for England have been **fully met**.

The national framework states national aims that fire authorities need to take consideration of. To provide an assessment of how well RBFRS meets the national aims, RBFRS officers conduct a self-assessment on these areas. In order to introduce independence to these assessments, RBFRS entered into a reciprocal agreement with Cambridgeshire Fire and Rescue Service (CFRS). In this arrangement, each service assesses the other’s provision and provides a written report as a critical friend. The assessment took place in August 2016, with CFRS visiting RBFRS, to review the self-assessments and supporting evidence. The summary [feedback](#) from CFRS was as follows:

“I am pleased to confirm that, based on the evidence presented and discussions with key members of staff last week, we are happy to validate Royal Berkshire’s Statement of assurance.”

The detailed feedback can be found at this [link](#).

Areas for Future Improvement for 2016/17

Identified national framework Improvement
Whilst there was a great deal of information of the website it was sometimes difficult to locate.
There is a question as to the functionality and efficiency of the LRF across three FRS boundaries.
Further work is needed to establish e-learning and a learning management system within RBFRS and across the region.
LRF involvement with coordination of exercises is an area that may need further attention.

Appendix F Other Assurance Processes

To ensure that RBFA and RBFRS are delivering an efficient, effective and economic service across all its areas of operation additional assurance has been provided in 2015/16 through the following processes:

Contracted Internal Audit

RBFA have contracted out internal audit to RSM, an external company. Apart from auditing aspects of the FA required by legislation they are also instructed, as part of an audit plan agreed with the FA Audit & Governance Committee, to audit various other aspects of the service.

In 15/16 the following audits were completed:

- Firefighter pension administration
- Thematic review – fuel cards
- IT General Controls
- Risk Management and Governance
- Key Financial Systems
- Post implementation payroll review

RSM's annual internal audit opinion for 2015/16 is as follows:

'The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.'

RBFRS Internal Audit

RBFRS has its own Performance Review Department with two qualified auditors who regularly undertake operational debriefs and internal audits. Each year the department undertake six audits, four planned and two standby audits, as agreed with both RBFRS management and the FA Audit & Governance Committee.

In 2015/16 the following audits were completed by RBFRS Performance Review Team: In 2015/16 only four audits were completed due to organisational priorities arising from the implementation of the Thames Valley Control Service thus reducing capacity to complete internal audits.

The four audits and outcomes undertaken were:

- Accident investigation
- Non uniformed leave
- Standard Tests
- Management of fuel

Appendix G

Appendix G – Hyperlinks to Reports Referenced in the document

Document Reference	Full Web Link
Statement of Accounts	http://www.rbfrs.co.uk/wp-content/uploads/2014/08/SOA-2015-16-v29-30-06-16-Extranet.pdf
Audit Letter 2015/16	
Governance Statement 2015/16	http://www.rbfrs.co.uk/wp-content/uploads/2014/08/Draft-Annual-Governance-Statement-2015-16-280616.pdf
Annual Plan 2016/17	http://www.rbfrs.co.uk/wp-content/uploads/2014/08/Annual-Plan-2016-17_v7-FINAL.pdf
Annual Report	
Five Year IRMP	http://www.rbfrs.co.uk/wp-content/uploads/2016/02/RBFA-Corporate-Plan-and-IRMP-Final-Version.pdf
IRMP consultation summary report	http://www.rbfrs.co.uk/wp-content/uploads/2016/04/Appendix-A-final.pdf
Community Risk Register	http://thamesvalleylrf.org.uk/assets/risk%20register/201403%20crr.pdf
Peer Review Team Report	http://www.rbfrs.co.uk/wp-content/uploads/2016/05/peer-review.pdf