

## **Annual Governance Statement for the year ended 31 March 2013**

### **1. Background**

East Sussex Fire Authority, as the authority which runs East Sussex Fire and Rescue Service, is responsible for ensuring that there is a sound system of Corporate Governance which facilitates the effective exercise of the Fire Authority's functions and which includes arrangements for the management of risk.

The Department of Communities and Local Government recognise "proper practice" in relation to Corporate Governance, as contained in the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government (2007)*. The new "proper practice" builds on existing disclosure statement requirements by extending the existing legislative requirements, governance principles and management processes relating to the whole organisation and the activities through which it accounts to, engages with and leads its community.

This Annual Governance Statement summarises how the Fire Authority has complied with its Local Code and also meets the requirements of the Accounts and Audit Regulations 2011. A copy of the Local Code is on our website at [www.esfrs.org](http://www.esfrs.org) or can be obtained from the Fire Authority's Clerk.

### **2. Scope of responsibility**

East Sussex Fire Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Fire 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. The required arrangements are set out in the DCLG guidance issued in 2011/12 which have been included the current version of our Service Planning, Use of Resources and Value for Money Strategy. In discharging this overall responsibility, Members and senior officers are responsible for putting in place proper arrangements for the governance of the Fire Authority's affairs, the effective exercise of its functions, the management of risk and the stewardship of the resources at its disposal. To this end, East Sussex Fire Authority has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*.

### **3. Purpose of the governance framework**

Good governance is about how a local authority, including a Fire Authority, ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

Our governance framework comprises the systems, processes, culture and values by which the Fire Authority is directed and controlled. Through effective governance, the Fire Authority is accountable to, engages with and, where appropriate, leads the community.

The Fire Authority has agreed procedures forming a constitution which sets out how it operates, how decisions are made and the processes which are followed to ensure these are efficient, transparent and accountable to the community. Many of these processes are required by statute, while the Fire Authority has determined others locally. The constitution sets out the basic rules governing its formal business.

From 2007/08, the governance responsibilities were charged to the Scrutiny & Audit Panel and also to the Standards Panel. The role of approving this Statement and recommending the Code of Corporate Governance for adoption by the full Fire Authority falls to the Scrutiny & Audit Panel. Also the responsibility for the approval of the Statement of Accounts and the related Annual Governance Report falls to this same Panel.

The Local Code of Corporate Governance can provide only reasonable and not absolute assurance that the Fire Authority achieves its aim of good governance. Equally, the Fire Authority's system of internal control is designed to identify and prioritise the risks to the achievement our policies, aims and objectives, to evaluate the likelihood and impact of those risks being realised and to manage those risks efficiently, effectively and economically. It cannot eliminate all risk of failure; it can therefore only provide reasonable and not absolute assurance that our policies, aims and objectives are achieved.

The Local Code, which was substantially revised during 2008/09, and the system of internal control have been in place at East Sussex Fire Authority since 31 March 2009.

### **4. Policy and decision making**

In discharging its statutory duties in the provision of services, the Fire Authority's constitution provides details of the decision making process for the Fire Authority as a whole. The Fire Authority's constitution is available on our website and is reviewed by the Monitoring Officer on a regular basis and regular reports are received by the relevant Panels relating to proposed changes. The Fire Authority's key Panel for policy and resource planning is the Policy & Resources Panel. Reports of all Panel meetings are presented to the full Fire Authority for consideration at its next meeting. All Fire Authority and Panel meetings held are open to the public, unless the items being discussed are considered to be private under the Local Government Act 1972; these will include staffing, legal matters and those of a contractual nature.

All Fire Authority and Panel agendas are posted on the Fire Authority website and copies of agendas are posted at Service Headquarters and issued for posting at Brighton & Hove City Council and East Sussex County Council main reception offices. All non-confidential agenda CFA and Panel papers are also posted on the website with hyperlinks to detailed supporting appendices where relevant.

## 5. Establishment and monitoring of corporate and service objectives

The Fire Authority's Medium Term Plan (MTP) (five year) is approved by Members and provides details of the medium term corporate priorities and community risks it is seeking to improve. The Fire Authority's Annual Plan summarises the improvement agenda for the forthcoming year to meet our Strategic Aims. These have been reduced from 3 to 2 following consultation on the latest draft MTP over the period September to December 2012. Targets for the forthcoming year are also provided along with a summary of performance achievements for the previous year. Targets are reviewed and updated on an annual basis and, where appropriate, further refined during the year based upon actual results.

The Medium Term Plan covers not only corporate planning requirements but the need for all FRAs to undertake Integrated Risk Management Planning. Due to the complex nature of the supporting evidence for both aspects, two separate detailed supporting documents are prepared which underpin the main Plan to allow it to be presented in a simple, short, easily readable and digestible format. These two supporting appendices provide key evidence on local community risk management issues in one document and service planning, corporate risk, capital asset and IT strategies and matching resources to available funding in the other. All three documents are available on the website.

The Annual Plan also sets out a key summary of resources being used to meet service commitments.

Copies of all our planning documents can be found on our website at: <http://www.esfrs.org>. The Annual Plan establishes in detail our improvement priorities and these feed down through to Corporate Business Plans for each Directorate to follow as well as our Borough Plans for each of our 6 Borough Command areas and local station action plans. Our personnel can then understand where they fit into achieving our overall policy priorities and staff development appraisals help to ensure there is a "Golden Thread" from the strategic to each functional area.

Our key Performance Plans include information on our corporately agreed performance targets. These targets are cascaded through all the Plans and are time specific. Performance on our top 32 performance indicators with supporting performance measures to focus strategic attention on key issues is monitored by the Corporate Management Team (CMT) and the Scrutiny & Audit Panel on a quarterly basis giving details of the progress to date and what management action is being taken to correct any adverse performance.

Since 2009/10, our key plans have been supported by improved community profiling information commensurate with the particular aims of the Plans. Local community risk information ensures that they are properly aligned to meet the diverse needs of local communities and help to mitigate the community risks across our local areas. This key intelligence will help us to ensure our services are prioritised to meet the greatest needs of vulnerable people and work with our partners to ensure our collective efforts protect them from life risk and injury.

## 6. Audit Commission Annual Governance Statement and Annual Audit Letter 2011/12

The Audit Commission's Comprehensive Area Assessment (CAA) ceased in 2010/11 following the change in government, although the complementary Operational Assessment regime continues in force. Copies of all previous Audit Commission assessments are available on our website at [www.esfrs.org](http://www.esfrs.org) and a summary of their conclusions is also included in our Annual Plan.

The most recent Audit Commission Annual Governance Statement was considered by the Scrutiny & Audit Panel in September 2012. Extracts are summarised below:

### Extracts of External Auditor's Annual Governance Report to Scrutiny & Audit Panel September 2012

*"I am required to conclude whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is the value for money conclusion. I assess your arrangements against the two criteria specified by the Commission. In my Audit Plan, I reported to you the significant risks that were relevant to my conclusion. I intend to issue an unqualified conclusion stating that the Authority has proper arrangements to secure economy, efficiency and effectiveness in the use of its resources.. "*

#### **Value for money criteria and key messages**

<b>Criterion</b>	<b>Key Messages</b>
<b>1. Financial resilience</b>	
<b>The organisation has proper arrangements in place to secure financial resilience.</b>	

<i>Focus for 2011/12:</i>	
<i>The organisation has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.</i>	<i>The quality of financial governance and leadership within an organisation is critical in meeting the financial management challenges and for securing financial resilience. Although good basic systems, controls and processes are important, it is the overall financial culture that is key. East Sussex Fire Authority has a strong culture of financial leadership provided by experienced and knowledgeable officers who have been able to respond to the scale of financial challenges arising from cuts in government funding.</i>
	<i>Tight financial control is maintained over revenue budgets; over successive years the annual out turn has been close to expectations. For 2011/12, the Authority achieved an under-spend of £80,000. On occasions where there are larger variances than expected, for example in relation to an increase in the costs of a capital project, the Authority is quick to investigate and learn from any weaknesses</i>
<b>Criterion</b>	<b>Key Messages</b>
<b>1. Financial resilience (cont.)</b>	
	<i>The Authority's financial planning and modelling extends over the medium term, which allows it to take decisions in a planned way, allowing for the lead-in time that is necessary in implementing organisational change. In setting the 2012/13 budget during February 2012, the Medium Term Financial Strategy highlighted £2.4m savings would be required by 2016/17. Between February and July, a programme of savings arising from Service Prioritisation reviews has been agreed to be implemented, taking effect from March 2013, which will deliver the Medium Term Financial Strategy. These proposals are the subject of the statutory consultation processes taking place until December 2012 when final decisions will be made on them or equivalent alternatives, which will need to achieve the same level of saving. Over the same timescale the Authority has been extending its forecast to 2017/18 and this is identifying the need for further substantial savings as the impact of the funding review from 2013 is expected to reduce government grant further. The Authority is therefore facing an increasingly challenging environment in terms of achieving significant savings and maintaining financial resilience.</i>
<b>2. Securing economy, efficiency and effectiveness</b>	
<i>The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.</i>	
<i>Focus for 2011/12:</i>	
<i>The organisation is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity</i>	<i>The Authority has an established framework for challenging how it secures economy, efficiency and effectiveness. This links the Authority's planning and review process and has been in place for a number of years. A forward plan of value for money reviews is in place and covers a cross section of specific service related topics and strategic activity. ....</i>
<b>Conclusion</b> <i>On the basis of my work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2011, I am satisfied that, in all significant respects, East Sussex Fire Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2012.</i>	

The most recent Audit Commission Annual Audit Letter was considered by the Scrutiny & Audit Panel in November 2012 which was reported on to the Fire Authority in December 2012, which summarised the Fire Authority's current arrangements. This is also set out below:

#### **East Sussex Fire Authority Annual Audit Letter 2011/12**

I am pleased to submit my Annual Audit Letter which summarises my 2011/12 audit of East Sussex Fire Authority.

#### **Financial statements and value for money conclusion**

On 20 September I presented my Annual Governance Report to the Scrutiny and Audit Panel. This outlined the findings of my audit of the Authority's 2011/12 financial statements and the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources. I will not repeat the detailed findings in this letter.

Following the Scrutiny and Audit Panel on 20 September:

- issued an unqualified opinion on the Authority's 2011/12 financial statements included in the Authority's Statement of Accounts;
- concluded that you have made proper arrangements to secure economy, efficiency and effectiveness in your use of resources; and
- certified completion of the audit.

I am pleased to report that the Authority once again produced a sound set of financial statements supported by good working papers. The Authority continues to demonstrate strong financial management and has robust arrangements in place to ensure value for money.

### **Closing remarks**

Whilst the external environment remains a challenging one for all local authorities, East Sussex Fire Authority recognises the scale of the challenges ahead and has plans or is developing plans to help deliver the changes that will be needed in the future.

I have discussed and agreed this letter with the Assistant Chief Officer as well as the Authority Treasurer. I wish to thank senior management, the Scrutiny and Audit Panel and the finance staff for the positive and constructive approach they have taken to my 2011/12 audit.....

### **Appointed Auditor, Audit Practice, Audit Commission.**

---

Ernst & Young have now been appointed as the Fire Authority's Auditors to undertake the audit of the 2012/13 financial accounts and value for money judgements and beyond. Work has already commenced on planning preparations, establishing new protocols to meet their evidence requirements and production of information requested

## **7. Fire Authority priorities for the effective targeting and usage of resources**

The effective targeting and usage of our resources has always been a Fire Authority and Service corporate priority, and for 2012/13 this is being achieved in several ways:

### Securing Financial resilience

- the production of an effective Five Year Financial Strategy which is supported by annual service planning and related budget setting on the most prudent principles.
- A fundamental review of General and Earmarked Reserves, benchmarked against other CFAs against all corporate risks as reported to the Fire Authority.
- An effective Treasury Management Strategy which is sensitive to the current adverse economic conditions and financial markets.
- the mature corporate risk assessment processes in place
- the investments made and continuing to be made on capital and asset infrastructure
- Investing unused Reserves to fund Capital investment to minimise need for borrowing
- Full business appraisals for every financial investment
- Requiring CMT approval based upon a full business case prior to proceeding to recruit to a vacancy.

### Prioritising resources within tighter budgets

- A previous IRMP unlocked capital resources in Service housing to release it for operational capital investment over the next 3 years which will yield a full year revenue budget saving in excess of £0.5m per annum in relation to essential capital spending.
- A previous fundamental review of the Capital Programme has taken place to meet reduced resourcing projections which has yielded an immediate revenue saving well in excess of £0.5m per annum for the foreseeable future.
- A comprehensive service prioritisation programme was completed, and following the staff focused 'Facing the Challenge initiative' which progressed the initial proposals through a formal staff consultation process and associated voluntary redundancy and early retirement scheme, the Fire Authority approved a final savings programme of £1,751,000 in 2013/14 and £2,102,000 per annum in 2014/15 and beyond for one off staff severance costs over the period 2013/14 to 2014/15 of £455,000. These one off costs are funded from £500,000 previously approved earmarked reserves in Balances.

- Despite the significance of these savings made, the latest Medium Term Plan still projects a strategic resourcing gap which grows to a predicted level of £3.4m by 2017/18 due to further reductions in government funding over the next few years and potentially beyond.
- A decision to merge the existing control rooms of ESFRS and WSFRS into a Sussex Control Centre with an implementation project now underway for delivery at the end of 2013/14.
- Early considerations are taking on how best to manage the need to identify the further savings required from 2014/15 to 2017/18 which the new Fire Authority will need to consider and action following the Annual General Meeting in June 2013 following the outcome of local government elections.

## **8. Complaints and confidential reporting policies**

The Fire Authority operates a formal complaints procedure which is available to both staff and stakeholders either on request or on our website. The procedure is well documented. The Complaints Investigation Officer formally investigates every complaint and a summary of complaints made is reported to the Scrutiny & Audit Panel in September each year. The Fire Authority has dealt with less than 30 complaints each year for the last five years. There have been no findings of maladministration against the Fire Authority for 2012/13.

The Fire Authority also has a Whistleblowing Policy along with an Anti-Fraud & Corruption Strategy. Staff are informed of these at their induction and are reminded on a regular basis. Both the Whistleblowing Policy and Anti-Fraud Strategy are reviewed and updated where necessary on a regular basis and leaflets issued to all staff. There have been no whistleblowing cases in 2012/13 and no employment claims were made against the Authority in 2012/13.

## **9. Compliance**

The Fire Authority has a duty to ensure that all activities undertaken are in accordance with the law. This is discharged in part by the Fire Authority's Financial Regulations and Contract Standing Orders. Other policies or strategies covering both internal and external issues are available to staff and the public via the East Sussex Fire and Rescue Service intranet and our Fire Authority internet sites respectively and can be found on the Fire Authority website at [www.esfrs.org](http://www.esfrs.org) These include:

- Anti-fraud Strategy
- Whistleblowing Policy
- Freedom of Information

East Sussex Fire & Rescue Service also has a complementary set of Manuals to ensure operational, personnel, health, safety and welfare, financial procedures and corporate administrative arrangements are executed effectively. All strategies, policies and Manuals are allocated to a lead officer who is responsible for the periodic review and updating of each.

## **10. Review of effectiveness**

East Sussex Fire Authority reviews the effectiveness of its governance arrangements, including its system of internal control, on a continual basis. This review of effectiveness is informed by:

1. the work of Members through the Scrutiny & Audit Panel and the Standards Panel (whose terms of reference and constitution have been amended as a result of the latest regulatory guidance) as well as the full Fire Authority;
2. the work of Corporate Management Team as well as other senior managers within East Sussex Fire & Rescue Service, who have primary responsibility for the development and maintenance of the internal control environment;
3. the Statement of Internal Financial Control and the work of the Treasurer of the Fire Authority as the Fire Authority's Chief Financial Officer and officers of East Sussex Fire & Rescue Service with financial management responsibilities;
4. the work of the Monitoring Officer (who is also the Head of Law at Brighton & Hove City Council); and officers of East Sussex Fire & Rescue Service with corporate governance responsibilities;
5. the annual risk management report and periodic review of strategic risks conducted by Corporate Management Team and considered by the Scrutiny & Audit Panel;
6. the work of the internal audit service including their annual report and opinion;
7. the external auditors in their various audit and annual governance reports;
8. the Audit Commission's assessment processes for governance and internal control.
9. any judgements made by a range of external inspection and other statutory bodies including the Local Government Ombudsman (no referrals were made in 2012/13) and the Standards Board for England (now disbanded).

## **11. Key elements of the governance and internal control environments**

The key elements that comprise the Fire Authority's governance arrangements are set out in the Local Code and they include:

### Fire Authority Constitutional arrangements

- the Fire Authority's constitution which sets out clear arrangements for decision making, scrutiny, communication and the delegation of powers to officers and Members;
- codes of conduct for Members and employees which set out clear expectations for standards of behaviour;
- a clear framework for financial governance based on Contract Standing Orders, Financial Regulations and Standard Financial Procedures;
- a risk management strategy and detailed risk management framework, which takes account of both strategic and operational risks and ensures that they are appropriately managed and controlled;
- Fire Authority Panels (committees of Members of the Authority) with clear responsibilities for governance, audit and standards;
- established arrangements for dealing with complaints and whistleblowing, and combating fraud and corruption.
- The Fire Authority has a contract with East Sussex County Council to provide a Treasurer. This contract ceases on 31 March 2013. Following the departure of the previous Treasurer of the Fire Authority from East Sussex County Council, the Fire Authority has appointed Mrs Mo Hemsley, the Assistant Director, Resources, Economy, Transport & Environment at East Sussex County Council for an interim period as the Fire Authority's Treasurer until a new Treasurer to the Fire Authority can be appointed from 1 April 2013. The Treasurer to the Fire Authority attends all CFA and Panel meetings.
- Throughout 2012/13, the Treasurer has been represented on the Corporate Management Team by the Assistant Chief Officer (Corporate Services) and the Director of Financial Services. With effect from 1 April 2013, the Treasurer will attend Corporate Management Team meetings to provide expert strategic financial advice as the post of Assistant Chief Officer (Corporate Services) is ceasing to exist as part of the Facing the Challenge savings.
- The Fire Authority is satisfied that these new arrangements and its financial management more generally comply in all material respects with the CIPFA Statement on the role of the Chief Finance Officer and will offer an improvement in access to effective financial advice to the corporate management team as the financial challenges to be faced will increase over the next few years at least. . "

### Strategies

- a range of supporting Strategies that link the constitutional arrangements with our Vision, Strategic, Aims, supporting corporate objectives and our values which we wish to uphold in everything we do. It also provides links to the functions of the organisation.

### Performance Plans

- an established medium term planning process including the process for reconciling policy priorities with financial resources, which takes account of the need to improve both customer focus and efficiency; and which feeds into:
  - a Medium Term Plan that sets out our medium term vision for our local communities and the outcomes we intend to achieve for them. Included in it is the Community Risk Management (Integrated Risk Management) Plan that covers a three year period detailing the key service priorities, proposed areas for review over the medium term and to seeks consultation and active engagement with our affected local communities through the lifetime of the Plan;
  - an Annual Plan that sets out our annual aims and objectives for our local communities and the outcomes we intend to achieve for them each year;
  - 4 Directorate Business Plans that identify the functional work targets across the organisation to meet the strategic aims;
  - related Borough Plans that identify the functional work targets across the 6 Borough Commands for local stations to deliver local services targeted to their needs and summarise local community profiles and risk and how the Plan will help to support those with particular and diverse needs as well as mitigate local risks.

### Performance Management Framework

- a business planning and performance management framework which includes setting clear objectives and targets, both financial and otherwise;
- regular reporting of performance against the Fire Authority's key corporate objectives, national and local performance indicators and their related performance improvement targets as set out in the Annual Plan, to officers and Members;
- established budgeting systems, clear budget management guidance and regular reporting of financial performance against budget forecasts to officers and Members;
- delegated financial management processes to promote ownership of financial issues within our four Directorates;
- a partnership review framework that ensures our partnership working arrangements meet the objectives set;

- a range of policies and processes designed to ensure best practice and legal compliance for personnel matters, IT security, access to information, data protection and project management;
- Borough Commanders attend CMT on a quarterly basis to report on their respective teams' performance.

#### *Operational Assurance*

- the Operational Assurance action plan is being completed to the agreed timetable set and monitored by CMT;
- the Fire Authority has agreed the continued, but tapered, funding for the Operational Improvement Team;
- the Retained Duty System contracts have been revised to secure more effective and resilient retained appliance availability;
- a review of the Incident Command System is underway to provide a resilient command and supervision structure to be supported by an operational assurance framework that assesses our performance at all levels of incidents;
- business continuity plans are in place;
- the Sussex Control Centre is now being progressed to a go live expected at the end of 2013/14 and will improve the future effectiveness of our call handling providing dynamic mobilising of appliances based upon their ability to attend quickest not based upon the location of fire station

#### *People and Organisational Development*

- assessment under the Equality Framework ensures legal compliance as well as fundamental linkage with business aims schemes for identifying the development needs of Members and officers, supported by appropriate training; ESFRS has received 'Excellence' as an outcome to the recent external peer review.
- development programmes are in place for ESFRS managers to not only ensure operational or professional competencies are sustained and enhanced, but building our managers to be our local community leaders;
- learning and development competency framework which received a national commendation in 2010/11;
- strategies for communication and consultation with our key stakeholders, partners and our local communities;
- achievement of Charter status for Member Learning & Development, following an amended induction and development programme along with a Member mentoring scheme;
- reviewed and implemented new procedures for discipline, grievance, attendance and performance management ;
- introduced managing change policy (redundancy) and a flexible retirement package;
- revision of staff contracts to improve capacity.
- Introduced the new Firewatch HR, training and crewing module software.

#### *Information Management*

- the Business Plan incorporates developing frameworks including the Information Technology Infrastructure Library V3 (ITIL V3) to focus on organisational objectives and drive up productivity with emphasis on performance and quality.
- Information Management Strategy is designed to provide IT solutions to organisational business requirements and also assign resources for acquiring or developing such solutions. The Strategy also maps the solutions to the organisational objectives thereby providing a link between the solutions and the business objectives it supports.
- the Strategy is based upon a fundamental principle of providing IT solutions by not limiting technologies supplied by Microsoft or Novell thereby maintaining a platform that can support either system or format.
- the Strategy is introducing a unified communication system to foster collaborative working, sharing of information and task management. This will negate the need to circulate or store multiple copies of the same information.
- External and internal IT audit reviews. Regular external and internal audits take place on our IT infrastructure. An improvement action plan was put in place to ensure all the recommendations from the recent reviews were embedded into the IMD systems. This work has been further supported by external consultants engaged to provide ESFRS with strategic IMD advice.

#### Corporate Risk and Insurance

- corporate risk management arrangements are mature and corporate training is refreshed annually with different approaches being used to ensure continual improvement in skill sets and competencies.
- a fundamental review of corporate insurance cover took place in 2010/11 to consider current and future risks and costs of insurance relative to those risks. The review was considered by Corporate Management Team and whilst most of the portfolio remained unchanged, decisions were taken to enhance cover in some areas and raise excesses on motor insurances and establish an internal fund to meet the self-insured costs as this was likely to be cheaper over the long term. No other changes in insurance cover have taken place in 2012/13, but further savings to be achieved from increasing excesses on fleet are being considered for 2013/14.

## **12. Incident at Marlie Farm**

The Health and Safety Executive (HSE) undertook a review of the work undertaken by East Sussex Fire & Rescue Service following the incident at Marlie Farm, East Sussex on 3 December 2006 where two personnel from East Sussex Fire & Rescue Service tragically lost their lives. A formal letter was received from the HSE on 19 March 2008 raising concerns on matters relating to operational communication to station personnel, operational training and risk management arrangements. A formal action plan was agreed to ensure all issues raised have been, or are being substantially resolved, within the timescale set by the Health and Safety Executive. The Health and Safety Executive reviewed the final position and approved the actions taken which demonstrated that ESFRS met all the concerns raised. Civil claims are being handled via our insurers with the outcome of the Civil Court proceedings taking place in February /March 2013 expected later in 2013/14.

## **13. Equality and Diversity**

ESFRS met the latest 'Achieving Excellence Standard' of the Equality Standard for Local Government in March 2012. This involved all parts of the organisation ensuring that not only are our employment practices sound, but diversity and equality principles are embedded in everything we do. All our strategies have had Equality Impact Assessments completed on them, and the strategies adapted accordingly.

## **14. Assurance and Significant Governance Issues**

No assurance can ever be absolute; however this statement seeks to provide a reasonable assurance that there are no significant weaknesses in the Fire Authority's governance arrangements. On the basis of the review of the sources of assurance set out in this statement, we are satisfied that the Fire Authority has in place satisfactory governance arrangements which are operating effectively.

A major review of our constitutional framework took place in 2007/08. A further update took place in 2009/10 with changes approved for the release of the Members' Handbook in July 2010. Various updating for legislative changes or internal requirements takes place throughout the year with a new Handbook being released for the AGM in June each year.

Other related monitoring and updating work in 2012/13 has now been completed. The year's work has included:

- Keeping under review the effectiveness of the final implementation of the action plan achieved in 2010/11 arising from the self-assessment of our corporate governance arrangements using the CIPFA/SOLACE guidance.
- Keeping under review the action plan following the original self-assessment review of Managing the Risk of Fraud and in line with all subsequent Audit Commission /CIPFA guidance; again, our base level of compliance was good and the remaining action points have been completed. The latest Audit Commission guidance has also been reviewed, a compliance assessment undertaken and reported to the Scrutiny & Audit Panel for monitoring purposes.
- Continuing to finalise our directorate/functional business continuity plans to the previously agreed corporate template so that every functional area can relocate and continue to work in an alternative premises, if required to meet our own responsibilities and are in keeping with our Civil Resilience responsibilities.
- Continuing to develop our directorate business plans to include the new challenges identified by the Audit Commission for managing the finances, governing the business and managing the resources now assisted by using Interplan so that our business plans are kept up to date throughout the year and corporate monitoring takes place more easily.
- Continuing to develop the Fire Authority's information security policy and put in place consistent and robust approaches to information security management in line with relevant national standards – the monitoring of which takes place on a quarterly basis by CMT.

On the basis of the review of the sources of assurance set out in this statement, we are satisfied that the Fire Authority also has in place a satisfactory system of internal control which is operating effectively.

On the basis of the internal audit work completed, it is internal audit's opinion that there is "reasonable assurance that ESFA (the Fire Authority) has in place an adequate and effective framework of governance, risk management and internal control for the period 1 April 2012 to 31 March 2013" Clearly, it is important that all agreed actions arising from the various Internal Audit reports are completed to the timescales set, particularly in relation to the review of Whole Time Shift Leave which resulted in a "minimal assurance" opinion. The respective senior managers within ESFRS have given their commitment to ensure that all the issues identified are addressed.

The Fire Authority will continue to regularly monitor issues that may seriously prejudice or prevent achievement of its key objectives through its strategic risk review process.

Both governance and internal control arrangements must be kept under review to ensure that they continue to operate effectively and meet changing legislative needs, reflect best practice and our intention to achieve excellence in all our activities.

The Fire Authority has progressed with a number of initiatives to enhance its governance arrangements which will continue, as follows:

- Continue to implement outcomes achieved and further develop its strategic service prioritisation /matching services to available resources approaches to assist with the bleaker financial context facing the whole of the public sector for the foreseeable future;
- Continue to rationalise the business agenda for the Fire Authority and its Main Panels to improve focus on strategic decision making and use the Members seminars and bulletins for information sharing;
- Review current Member Lead arrangements where 16 of the 18 members on the Fire Authority have a lead responsibility for progressing a strategic issue and reporting progress to fellow Fire Authority members as appropriate, as supported by ESFRS staff and CFA appointed officers;
- Continue to improve in embedding equality and diversity principles and practices following the 'Achieving Excellence' Equality Standard for Local Government;
- Enhance management and control over energy usage and promote its environment strategy objectives to gain commitment from all staff and improve performance across all organisational activities;
- Complete our community profiling development work including the development of social marketing concepts to aid local and strategic decision making by better understanding the needs of our local communities and the diverse needs of individuals within our local area and ensure the information can be accessed and used simply and effectively across the organisation by having the right support systems and information management processes in place;
- Complete the action plans following the recent self-assessments identified above;
- Keep under review corporate health, safety and welfare arrangements including the health and safety values within the organisation;
- Make further adaptations, if required, to our constitutional arrangements and delegations to meet requirements of the Local Government and Public Involvement in Health and Localism Acts;
- Ensure that effective governance arrangements are put in place for new service delivery models including the Sussex Control Centre and the Fire Authority's Community Interest Company;
- Publish a Statement of Operational Assurance in line with the guidance issued by CLG with the aim of publishing a single assurance statement for 2013/14 that meets the requirements of the CLG guidance and the Accounts and Audit regulations

Actions plans will be put into place to address these issues, and their implementation will be monitored and reviewed.

**Councillor Sven Rufus**  
**VICE CHAIRMAN OF THE FIRE AUTHORITY AND**  
**CHAIRMAN OF THE SCRUTINY & AUDIT PANEL**  
19 September 2013

**Desmond Prichard**  
**CHIEF FIRE OFFICER &**  
**CHIEF EXECUTIVE**  
19 September 2013