

East Sussex Fire Authority

DRAFT Annual Governance Statement for the year ended 31 March 2017

1. Scope of responsibility

East Sussex Fire 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, facilitating the effective exercise of its functions, which includes arrangements for the management of risk. To this end the 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*. A copy of the Authority's code is on our website at

<http://www.esfrs.org/about-us/east-sussex-fire-authority/members-handbook-strategies/> or can be obtained from fireauthorityclerk@esfrs.org. This statement explains how the Authority has complied with the Code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6, which requires all relevant bodies to prepare an annual governance statement.

2. The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. 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 services and value for money.

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 and potential impact of those risks being 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 2017 and up to the date of approval of the statement of accounts.

3. The governance framework

The key elements that comprise the Authority's governance arrangements are set out in the local code of corporate governance and they include:

- an annual integrated risk management plan (IRMP) that sets out our vision for the community and the outcomes we intend to achieve;
- an established service planning process, including the development of the medium term finance plan;
- a business planning and performance management framework which includes setting clear objectives and targets;
- regular reporting of performance against the Authority's key performance indicators to officers and Members;
- established budgeting systems, clear budget management guidance and regular reporting of financial performance against budget forecasts to officers and Members;
- clear arrangements for the discharge of the statutory functions of the Head of Paid Service, Monitoring Officer and Treasurer;
- compliance with the Chartered Institute of Public Finance and Accountancy's Statement on the Role of the Chief Finance Officer;
- clear arrangements for decision making, scrutiny 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 and Financial Regulations;
- a risk management strategy and risk management framework, which takes account of both strategic and operational risks and ensures that they are appropriately managed and controlled;
- Member Panels with clear responsibilities for governance, audit and standards;
- established arrangements for dealing with complaints and whistle-blowing, and combating fraud and corruption;
- schemes for identifying the development needs of Members and officers, supported by appropriate training;
- a strategy for communicating and consulting with the people of East Sussex and the City of Brighton & Hove and our key stakeholders;
- clear guidance that promotes good governance in our partnership working;
- a range of policies and processes designed to ensure best practice and legal compliance for personnel matters, ICT security, access to information, data protection and project management.

4. 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 Members through the Fire Authority and its Panels, including Policy & Resources and Scrutiny & Audit;
- the work of senior officers and managers within East Sussex Fire & Rescue Service, who have primary responsibility for the development and maintenance of the internal control environment;
- the work of the Monitoring Officer and the Treasurer;

- the risk management arrangements, including the maintenance and regular review of corporate risks by the Corporate Management Team and Scrutiny & Audit Panel;
- the work of the internal audit service including their individual reports, and overall annual report and opinion;
- the external auditors in their annual audit letter and annual governance report;
- the judgements of external inspection and statutory bodies and the Operational Assurance Peer Review.

5. 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 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 Authority has in place governance arrangements and a satisfactory system of internal control, both of which are fit for purpose and operating effectively.

As part of our review we have not identified any gaps in assurance over key risks or significant governance issues. The Authority has, however, identified a range of improvements to its corporate governance arrangements. Action Plans are in place to address the necessary improvements and these will be monitored during the year.

Both governance and internal control arrangements must be kept under review to ensure that they continue to operate effectively, meet changing legislative needs, and reflect best practice and our vision of achieving safer and more sustainable communities.

We propose over the coming year to take steps to further enhance our governance arrangements and these are summarised below. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and we will monitor their implementation and operation as part of our next annual review.

- *Complete the development of our new Corporate Strategy to include priority outcomes and key performance indicators and develop the Integrated Risk Management Plan workstreams (ACFO) (continuing action from 2015/16 AGS action plan)*
- *Rationalise and align our suite of corporate strategies in line with the new Corporate Strategy and IRMP (ACFO) (continuing action from 2015/16 AGS action plan)*
- *Improve our performance monitoring against our Corporate Strategy / IRMP and revise our approach to monitoring key performance indicators (AD – P&I) (continuing action from 2015/16 AGS action plan)*
- *Ensure that the Authority responds effectively to the Fire Reform Agenda (CFO)*
- *Put in place arrangements to deliver our statutory duty to collaborate including responding to proposals for changes of governance under the Policing and Crime Act (CFO)*

- *Complete the implementation of the Accident Investigation Action Plan for Service Training Centre (AD – T&A) (continuing action from 2015/16 AGS action plan)*
- *Publish the new Inclusion and Diversity Strategy (AD – HR) (continuing action from 2015/16 AGS action plan – planned for June 2017 CFA)*
- *Make improvements in the process for reporting compliments, complaints and enquiries to CMT and the Fire Authority to ensure transparency (AD – P&I)*
- *Review the arrangements for enforcement of Petroleum Certification to ensure that they remain fit for purpose (DCFO)*
- *Make improvements to Information Security arrangements, following changes in IT provision including increased use of mobile devices, with a focus on employee awareness.(AD R/T)*
- *Review the Management of Road Risk Policy and the effectiveness of arrangements for ensuring compliance in response the review by internal audit (AD – OSR)*
- *Improve the management and delivery of projects by establishing a Programme Management Office (AD – P&I)*
- *Review the Local Code of Corporate Governance against the most recent best practice guidance issued by CIPFA / SOLACE (AD – P&I / AD R/T)*

Councillor Galley Chairman, Scrutiny & Audit Panel

Dawn Whittaker, Interim Chief Fire Officer

24 July 2017