

**APPENDIX A**



# **ANNUAL GOVERNANCE STATEMENT**

**2020/2021**

**FOR**

**HAMPSHIRE FIRE AND RESCUE AUTHORITY**

## **Annual Governance Statement for Hampshire Fire and Rescue Authority**

### **1. Scope of responsibility**

1.1. Hampshire Fire and Rescue Authority (HFRA) (the Authority) is responsible for ensuring that:

- its business is conducted in accordance with the law and to proper standards;
- public money is safeguarded and properly accounted for, and used economically, efficiently and effectively;
- pursuant to the Local Government Act 1999, it secures continuous improvements in the way in which its functions are exercised, having regard to a combination of efficiency, effectiveness and economy; and
- pursuant to the The Accounts and Audit Regulations 2015, there is a sound system of internal control which facilitates the effective exercise of the Authority's functions and which include arrangements for the management of risk.

1.2. This Annual Governance Statement (AGS) is a retrospective statement for the previous financial year. On 1 April 2021, Hampshire and the Isle of Wight combined to create Hampshire and the Isle of Wight Fire and Rescue Authority (HIWFRA). References in this statement will be made to the governance surrounding the transfer with the Hampshire and Isle of Wight Fire and Rescue Shadow Authority however the statement itself refers to the HFRA.

1.3. The Authority has delegated to the Standards and Governance Committee (S&GC), as per its terms of reference, to consider and approve the Annual Governance Statement, and once approved the AGS will be signed by the HIWFRA Chair and the Chief Fire Officer.

1.4. This AGS explains how the Authority meets the requirements of The Accounts and Audit (England) Regulations 2015, and complies with the principles contained in the The Chartered Institute of Public Finance and Accountancy (CIPFA) Delivering Good Governance in Local Government Framework 2016 edition.

1.5. The process of preparing the governance statement should itself add value to the effectiveness of the governance and internal control framework.

### **2. The purpose of corporate governance**

2.1. Governance comprises the arrangements put in place to ensure the intended outcome of stakeholders are defined and achieved. Good governance will enable fire and rescue authorities (FRAs) to set strategic policy agenda that meets the needs of communities and discharges its statutory responsibilities efficiently and effectively. To ensure that the policy agenda and defined outcomes are delivered on time, on budget, and to the required standard.

- 2.2. The Service's corporate governance framework comprises the systems and processes, and cultures and values, by which the Service is directed and controlled. It enables the Authority to monitor the achievement of its priorities and to consider whether they have led to the delivery of appropriate, cost effective and efficient services.
- 2.3. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve its aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risk to the achievement of the Authority's priorities. It evaluates the likelihood of those risks being realised and the impact should they be realised, to manage them efficiently, effectively and economically.
- 2.4. The Authority set strategic direction, monitors, scrutinises and ensures delivery of services, whilst accountability for the achievement of the Authority's priorities sit with the Service. The Service's corporate governance framework demonstrates and enables the ability to deliver its core purpose of making life safer, through cohesive working and clear routes of governance.
- 2.5. The corporate governance framework is designed to provide a robust governance process, streamline decision making and support efficient and effective operations for the Service. The effectiveness of the framework is evaluated throughout the year.
- 2.6. Executive Group is chaired by the Chief Fire Officer and its purpose and responsibilities are clearly defined within its terms of reference. The Executive Group considers reports identified on the organisation's Forward Plan (a tool that supports the effective operation of the corporate governance framework identifying agenda, report topics and the responsible Directors). The Forward Plan supports a robust planning and control cycle for strategic and operational plans ensuring informed decision making and transparency of decisions being recorded.

### **3. Core principles of good governance**

#### **3.1 Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

- 3.1.1 The role of scrutiny in good governance is reflective of the decisions about the values and associated behaviours that will guide the organisation.
- 3.1.2 The Authority continues to operate with 10 Members, since the review of governance arrangements during 2015/2016. The Police and Crime Commissioner (PCC) can attend Authority meetings and has the ability to speak on items on the agenda. The new structure and arrangements have resulted in a strategic and business focus from the Authority with improved member engagement and scrutiny. The Authority is in the best position to continue to lead the Service in delivering excellent

quality services to the residents of Hampshire whilst remaining resilient and responsive to challenges in the future.

- 3.1.3 The key policies that set out the scope of responsibilities for Members and delegation to officers is detailed within the Constitution's Scheme of Delegation, Contract Standing Orders and Financial Regulations. Members and officers are aware of their responsibilities within these policies.
- 3.1.4 The Authority review and approve minor amendments to the Constitution at their annual Authority General Meeting (AGM) and as needed throughout the year.
- 3.1.5 The organisation's values are embedded in our ways of working. These values are underpinned by a range of policies and procedures including Members' codes of conduct, the registers of interests and disclosure of pecuniary interests, gifts and hospitality and protocol for member and officer relations which is included within the Constitution.
- 3.1.6 The Authority is committed to the highest ethical standards. A code of corporate governance is included within the Constitution, which demonstrates a comprehensive commitment on the part of the Authority to accountability, integrity, ethical values and the rule of law.
- 3.1.7 Senior Management have the relevant professional external networks and expertise to identify the impacts of new legislation, and legal advice is also provided to ensure the Authority continues to comply with legislation and regulation.
- 3.1.8 Within the Corporate Governance Framework to underpin the Executive Group, there are five Directorate Boards to oversee key areas; such as the Policy and Planning Board, Operations Management Board, Integrated Performance and Assurance Board, People and Organisational Development Board, and the Corporate Services Management Board. These boards provide cohesive working, clear routes of governance and extra scrutiny on behalf of the Executive Group.
- 3.1.9 The Corporate Governance Framework's Directorate Boards have all reviewed their ToR this financial year. The creation of a Corporate Governance Procedure with an Officer Scheme of Authorisation has strengthened the robust decision making processes already in place. It has also provided clarity on decision making for Officers and illustrated where the Constitution Scheme of Delegation links with the Officer Scheme of Authorisation. During 2021-2022 the Service will welcome a new Deputy Chief Fire Officer which will result in making amendments to the Governance Framework. The necessary amendments will made to ensure continued openness, transparency, accountability and clarity.
- 3.1.10 A policy, procedure and guidance (PPG) framework has been developed and approved and is implemented across the organisation.

The PPG are documents that capture and define the way the organisation operates and how it delivers its services and functions. The framework establishes how to manage those documents in a robust and sustainable way. The PPG framework includes Authority owned Policies.

- 3.1.11 The Service have four values (Supporting Others, Showing Respect, Everyone Playing Their Part, Reaching Further) which are integral to everything we do. Further work to embed the values into the Service and encourage behaviour that demonstrates the Values will be carried out during 2021-2022.

### **3.2 Ensuring openness and comprehensive stakeholder engagement.**

- 3.2.1 The role of scrutiny in good governance is reflective of the decisions on how the organisation demonstrates openness and engage stakeholders.
- 3.2.2 The Authority approved the Hampshire and Isle of Wight safety plan 2020-2025 in February 2020. HFRA and Isle of Wight Council (IWC) agreed that due to the imminent Combined Fire Authority (CFA) that this would be a fully aligned Safety Plan for both HFRA and the IWC.
- 3.2.3 The Safety Plan incorporates the Integrated Risk Management Plan (IRMP) requirement and the annual Service Plan into a single document. The Safety Plan 2020-2025 is a live document which is updated annually. This approach to managing risk in our communities will ensure the organisation is able to report on how effective its risk reduction activities are. The Safety Plan is on the website and available to stakeholders electronically and in paper format (upon request).
- 3.2.4 The Authority operates in an open and transparent way. It complies with The Openness of Local Government Bodies Regulations 2014. The Authority's meetings are open to the public, and its papers and decisions are available through the website (save for individual items of a sensitive nature properly considered in confidential session). In addition, Authority meetings are filmed to enable staff and the public better access to view decision making.
- 3.2.5 The Authority publish data in line with the Local Government Transparency Code 2015 to provide open data sources ensuring transparency and accountability.
- 3.2.6 During the Coronavirus pandemic, local government temporarily removed the legal requirement for local authorities to hold public meetings in person. A change was made to the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel meetings) (England and Wales) Regulations 2020. This gave the ability to hold meetings virtually using video and telephone conferencing technology. HFRA and Hampshire and Isle of Wight Shadow Authority meetings continued to be open and

transparent and took full advantage of the technology available to continue with its obligations. Clear guidance and protocols have been written and are followed.

- 3.2.7 Clear guidance and protocols on decision making, templates for reports and effective arrangements for the approval of exempt reports, ensures that the Authority takes decisions in public when appropriate and after full consideration of relevant information.
- 3.2.8 The Authority, through the Service, enjoys a constructive relationship with the trade unions and associations representing staff groups across the organisation, through which meaningful consultation and negotiation on service issues takes place.
- 3.2.9 Public consultation to listen to stakeholders and inform decision making is undertaken where required and expected. Extensive consultation was undertaken during the Authority's risk review and creation of the Safety Plan. The consultation process enables our staff, the public and other stakeholders to have their say on how their fire and rescue service should operate in the future.
- 3.2.10 Extensive consultation was also undertaken for the proposed creation of a Combined Fire Authority (CFA). The consultation enabled our staff, the public and other stakeholders to have their say on how their fire and rescue authority should operate in the future. These processes were quality assessed by the Consultation Institute and found to have conformed to best practice.
- 3.2.11 The Authority has a long history of collaborative working with partner agencies. In particular, blue light collaboration with South Central Ambulance Service (SCAS) and Hampshire Constabulary which continues as business as usual. The COVID-19 pandemic has really demonstrated the need for collaboration, all working together towards the same goal. The Service have worked closely with the Local Resilience Forum (LRF), Local Authorities and the National Health Service (NHS) as well as our blue light partners, to ensure good governance and robust frameworks in the collaborative environment which has resulted in successful outcomes. The Authority receive an annual report which explains all the collaborative work that has taken place and demonstrates how we are effectively complying with the Policing and Crime Act 2017 and the Fire and Rescue Services National Framework.

### **3.3 Defining outcomes in terms of sustainable economic, social and environmental benefits.**

- 3.3.1 The role of scrutiny in good governance is reflective of the decisions on outcomes to be achieved.
- 3.3.2 Delivery of fire and rescue services and the associated community safety activity remains the Authority's core activity.

- 3.3.3 In February 2020, the Authority approved the Hampshire and Isle of Wight Safety Plan 2020-2025. It sets out our five-year strategy that establishes a long-term approach to achieving our purpose of 'Together We Make Life Safer' and to ensure we constantly provide a service to our communities that makes life safer and that our staff are proud to deliver.
- 3.3.4 The safety plan sets out our approach, and that we are keen to consider how we make life safer and have therefore taken a wider view of risk and safety in our approach.
- 3.3.5 Year one of Safety Plan has now been completed with an end of year report submitted to the HIWFRA in June 2021. Performance against the priorities is measured and reported to the Authority throughout the year.
- 3.3.6 Our strategic assessment of risk provides the understanding for us to set out our services and priorities in order to manage, control and mitigate that risk. We also consider the learning from significant events locally, nationally and internationally to inform our planning, while gaining information about best practice from inspections by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).
- 3.3.7 Our safety plan is underpinned by our strategic assessment of risk, which is a detailed and constantly updated analysis, which has been developed by:
- Identifying risk
  - Assessing the risk
  - Prioritising the risk
  - Mitigating the risk
  - Reviewing the risk
- 3.3.8 To achieve our purpose, we must fully understand the risks that our communities face. By engaging with those most affected by the risks identified we are able to create the most effective services to protect them. On this basis we have developed five priorities that we are committed to for the life of the Safety Plan:
- Our communities
  - Our people
  - Public value
  - High performance
  - Learning and improving
- 3.3.9 These focus our resources to the relevant community risks, environmental risks and economic risks. It also provides focus on organisational improvements to support our service delivery to ensure

that we are efficient and effective. We must constantly reassess our communities to make sure our assessment of risk is still accurate.

- 3.3.10 The Safety Plan is underpinned by detailed Directorate plans and our corporate portfolio of projects which is monitored through the Integrated Performance and Assurance Board. Progress against these plans are monitored through regular performance updates to assess the deliverables to HFRS Executive Group and the Authority.
- 3.3.11 Detailed Directorate Plans that align to the Safety Plan have been in operation for a year. The Directorate Plans provide the link from the Safety Plan through to an individuals objectives and goals and enables everyone to see how the work they do contributes to the bigger picture and the Safety Plan.
- 3.3.12 People Impact Assessments (PIAs) are used to identify any significant impact on people, and in particular, those who share a characteristic which is protected under equality law. PIAs also identify any environmental, economic and legislative risks. PIAs are carried out prior to implementing a policy, procedure, change or decision with a view to ascertaining its potential impact. PIAs are also carried out during formal report writing to identify any impact on the recommendations within reports.
- 3.3.13 The Service's Change Management Framework has a core focus on the outcomes and benefits achieved by projects and programmes (change activity) – with these being considered throughout the lifecycle of change activity. In April 2020, the Change Management Framework was launched, and in early 2021 it was independently audited by our internal auditors who concluded it provided 'substantial' assurance with: *"A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited."*
- 3.3.14 Furthermore, during 2020, work commenced to look at 'lessons learned' (including and beyond lessons from projects and programmes) with an aim to ensure all lessons learned are captured centrally, and monitored for action. This work continues into 2021/2022.

### **3.4 Determining the interventions necessary to optimise the achievement of the intended outcomes.**

- 3.4.1 The role of scrutiny in good governance is reflective of the decisions on interventions/services necessary to achieve the outcomes.
- 3.4.2 There are clear guidance and protocols for decision making. The involvement of legal and finance officers in all significant decisions of the Authority, ensures that decisions are only made after relevant options have been weighed and associated risks assessed.

- 3.4.3 The budget setting process is well established and prioritises budgets and spending to achieve intended outcomes. In recent years, the budget setting process has focussed on the achievement of savings to meet reductions in government grant funding. However, it is clear that financial resources are focussed to deliver the Authority's aims and priorities which underpinned continuous improvement.
- 3.4.4 Risks associated with the delivery of Directorate plans and the Safety Plan are detailed in project, department and Directorate risk registers and are escalated to the Organisational risk register when necessary. The risk registers evaluate the effectiveness of existing control measures as well as identifying proposed mitigation.
- 3.4.5 In 2020, the Authority approved a refreshed Risk Management Policy agreeing a risk management approach and approved a new Organisational Risk Register. The Organisational Risk Register is in place to identify current operational and organisational risks that could affect delivery of the Service. The Organisational Risk Register is monitored by Executive Group regularly and all Directorates maintain a Directorate Risk Register which feeds into the Organisational Risk Register should risks need escalating. The Authority regularly monitor the organisational risk register through formal reporting. To ensure risks are captured efficiently and well managed with effective control measures, a Risk Management System will be implemented throughout the Service from 1 April 2021. This system will effectively manage risks in all of the risk registers in one place. It will ensure the Authority determine relevant risks to delivery of the Safety Plan and have effective control mechanisms in place.
- 3.4.6 As a category 1 responder, the Service has played a key role in responding to the Covid-19 pandemic, both as an emergency service and as part of the Local Resilience Forum (LRF) command structure. This has included supporting other agencies to achieve their own outcomes during the crisis and working collaboratively.

### **3.5 Developing the entity's capacity including the capability of its leadership and the individuals within it.**

- 3.5.1 The role of scrutiny in good governance is reflective of the decisions to ensure that the organisation has the human and financial resources it needs.
- 3.5.2 The relationship between Members and officers is established on a professional culture of mutual respect, trust and co-operation. Within the Constitution, the member officer protocol is included providing clarification around the two roles.
- 3.5.3 The role of scrutiny by Members as a means to holding officers to account is central to exercising effective governance. Members provide constructive challenge to officers, it is this 'critical friendships' that tests

the reliability and consistency of advice, information and quality decision making.

- 3.5.4 The Authority holds pre-authority meetings which supports awareness and preparations. Effective questioning is a crucial component of constructive challenge offered by 'critical friends' and achieved through combination of good preparation, knowing which questions to ask and when to ask them; pre-meetings are helpful to determine how the meetings will be conducted.
- 3.5.5 A member's champions scheme is operated in support of an effective and professional relationship between Members and officers in which both understand each other's role. Officers engage proactively to provide information and in support of scrutiny activity, using their professional expertise to help Members better understand the context within which the organisation is operating and make robust judgements about performance.
- 3.5.6 Members also receive copies of key internal staff communications.
- 3.5.7 The Authority have a Policy and Planning Champion who supports and oversees the management of risk in a number of ways, such as providing scrutiny and community insight.
- 3.5.8 HFRS develop Members knowledge and understanding through delivery of an induction programme and periodic training to Members. Both Members and officers enjoy Local Government Association (LGA) membership that entitles them to attendance at training and conferences, targeted at raising awareness of national themes and in development of their leadership and scrutiny roles.
- 3.5.9 Members attend the Authority Policy Advisory Group (APAG) meetings which are delivered during the year. The meetings are chaired by the Chief Fire Officer and facilitates the two-way exchange and update of information between Members and officers. It is a forum providing the opportunity for Members and officers to informally discuss and shape policy. The group receives updates on matters of interest and consider the future strategic direction of the Authority and service business.
- 3.5.10 To ensure capability of leadership, the Executive Group have been enrolled onto the Institute of Directors (IOD) Certificate in Company Direction, with professional membership to the IOD included. The leadership training will ensure professionalism of the Executive Group, governance and leadership, imparting wider benefits of resilience and skills to the service.
- 3.5.11 The Authority, its committees and the Chief Fire Officer have access to a full range of professional advisers to enable them to carry out their functions effectively and in compliance with statutory requirements. Some legal and democratic services are provided through service level agreements with Hampshire County Council (HCC). The shared

service partnership with HCC and Hampshire Constabulary provides a wide pool of professional advice for areas such as human resources (HR), finance and procurement.

- 3.5.12 The development of our People and Organisational Development Directorate (POD) has placed Workforce Development (WFD) and Academy under the same leadership, enabling a joined-up Learning and Development function which will deliver leadership, management and technical and professional development.
- 3.5.13 Delivery of leadership and management training to supervisory and middle managers across the organisation has started virtually, and will also be delivered in person when appropriate to do so.
- 3.5.14 Our POD framework identifies leadership and management development as a strategic priority, which is supported by our current HMICFRS action plan. The content of our leadership and management training aligns with the NFCC Leadership Framework and Code of Ethics, as well as our own Service Values.
- 3.5.15 We will be using the insights gained from our cultural survey, HMICFRS inspections and wellbeing survey, to develop an updated people and development strategy for the Service. This will help make our organisation a great place to work for everyone whilst delivering excellent services to our communities through a professional, well equipped and agile workforce.
- 3.5.16 Our priorities are captured within the Safety Plan and include the importance that our staff at all levels are skilled and feel equipped to undertake their responsibilities. We align the skills and capabilities of our teams to ensure they can perform at the highest levels, based on our priorities. Our leadership development framework supports the growth of our staff in their capacities as both leaders and managers.
- 3.5.17 It is vital that we have the right people in the right roles to be effective. We must focus on our recruitment to find and retain talented people who embody the values we feel are central to representing our organisation. Embedding our values throughout our recruitment processes will help us to build a great working environment of which our workforce will be proud.
- 3.5.18 HFRS regularly reviews the shape of its workforce against the context of its capacity and capability requirements to meet the needs of communities. This then informs a range of strategies such as recruitment, retention and people development in order to provide effective leadership and deploy appropriate resources to meet the needs of the service.
- 3.5.19 HFRS is developing a culture of on-going coaching style conversations which focus upon high performance in all aspects of our work. Staff take personal responsibility for their own performance and how this

contributes to the overall performance of their team. They are encouraged to use the range of learning opportunities that are available across the organisation.

3.5.20 The Service is committed to driving high performance by unlocking the potential of all employees. The Service have rolled out a revised Personal Development Review (PDR) system, with personal goals and objectives to link back to the objectives within directorate plans, priorities within the safety plan and behaviours linked to the organisational values. This focus on performance will ensure we deliver the best possible service to the communities we serve.

### **3.6 Managing risks and performance through robust internal control and strong public financial management.**

3.6.1 The role of scrutiny in good governance is reflective of the decisions regarding the adequacy of progress and associated risk management arrangements.

3.6.2 The Authority operates a risk management methodology following the Risk Management Policy, with oversight of the arrangements provided by the Policy and Planning Board, which reports to the Executive Group. To ensure the most effective management of risks across the Authority and to ensure continued delivery of the Safety Plan priorities, a new risk management system will be introduced to the Service on 1 April 2021.

3.6.3 Performance management is in place to measure progress against aims and priorities to prompt remedial action where appropriate. The Integrated Performance and Assurance Board adds improved scrutiny of the performance management process.

3.6.4 The Executive Group review key performance indicators (KPIs) on a regular basis and the Chief Fire Officer holds Directors to account for performance of their areas across the organisation.

3.6.5 The Authority has a framework for regularly monitoring its performance with timely and relevant information. The Authority holds the Chief Fire Officer to account and receives regular performance reports at its public meetings.

3.6.6 The internal management structure operates under a structure that promotes improved efficiency, effectiveness and improvement of its ability to make communities safer.

3.6.7 We compare our performance to that of other fire and rescue services; for example, we make use of national benchmark information. This continues to show that we are performing well when compared with other similar fire and rescue services.

- 3.6.8 The internal audit plan was developed to operate at a strategic level providing a value-adding, and proportionate level of assurance aligned to the Authority's key risks and priorities. This includes a regular review of the organisation's risk management processes.
- 3.6.9 The internal audit plan incorporates provision for both proactive and reactive counter fraud and corruption work, which is underpinned by an Anti Theft, Fraud, Corruption and Bribery Policy. HFRS approach is to identify areas that could present greatest risk or where managers have identified indicators that improvement is needed.
- 3.6.10 This financial year, the Anti-Theft, Fraud, Corruption and Bribery Policy and Procedure have been reviewed and updated alongside other relevant procedures such as Gifts and Hospitality, Register of Interests and the Certificate of Assurance. Fraud Awareness Training has also been delivered by Southern Internal Audit Partnership (SIAP) as part of the internal audit plan.
- 3.6.11 The delivery of the resulting internal audit plan enables the Chief Internal Auditor to provide an annual report providing an opinion on the overall adequacy and effectiveness of the framework of governance, risk management and control which is reported to the Authority, and later published within the Annual Statement of Accounts in compliance with statute.
- 3.6.12 The Authority's Standards and Governance Committee (S&GC) has a clear terms of reference, to provide an effective source of scrutiny, challenge and assurance regarding the arrangements for managing risk and maintaining an effective control environment. The S&GC consider the delivery and outcomes of the internal audit plan, along with scrutinising the service performance in delivering against agreed actions.
- 3.6.13 The Authority has strong financial management arrangements at both the strategic and operational level and consistently obtains unqualified opinions for its annual accounts and value for money assessments. The Section 151 Officer is the Chief Finance Officer and all formal significant financial decision making has the benefit of advice and review from this officer or the wider finance team.
- 3.6.14 Financial management in key risk areas across the organisation, focusses on activity and performance management alongside the budget management processes. The financial management framework throughout the organisation is appropriately advised and supported by the finance team.
- 3.6.15 The Authority has an interim financial plan to inform its corporate planning given the absence of grant figures beyond the current financial year. This concentrates on the period up to the end of 2021/22 and a budget was set that required a draw from reserves in line with that interim strategy. Whilst there are risks within this approach these are

mitigated by the level of our reserves and the contributions to reserves contained in the base budget. Once a mutli-year spending review has been announced, a full update of the Medium-Term Financial Plan (MTFP) will be produced. The MTFP is overseen and monitored by our Executive Group and is regularly formally reported to the Authority at its public meetings.

3.6.16 The first budget for the new Combined Fire Authority (CFA) has been set in readiness for the implementation date of 1 April 2021.

3.6.17 Financial planning and management are fully integrated with, and driven by, the corporate planning and monitoring processes set out above. This includes processes for the forward planning of expenditure, consultation on budget proposals, setting and monitoring income and budgets, and the completion of final accounts. The Treasury Management Strategy is reviewed regularly and approved by the Authority annually with the budget.

3.6.18 The Service has been responding to the Covid-19 pandemic, but in most cases this has been using existing capacity within the workforce. Some additional costs around RDS call outs, overtime and PPE purchase have been incurred, but these are more than covered by the grant that has been received from central government.

### **3.7 Implementing good practices in transparency reporting and audit to deliver effective accountability.**

3.7.1 The role of scrutiny in good governance is reflective of the decisions on what will be reported to the public in order to ensure transparency and practice accountability.

3.7.2 The Authority meetings are open to the public and reports are written in an understandable style appropriate to the audience and published on the website ensuring that they are easy to access and interrogate. Authority meetings remained open to the public during the COVID-19 pandemic ensuring transparency and accountability

3.7.3 Members provide performance oversight and bring a mixture of experience and expertise from their professional backgrounds as well as their time in politics. It is also important to have access to requisite knowledge regarding the subject matter so Members are supported by officers for any knowledge needs. It is also necessary to co-opt independent expertise to support scrutiny so that constructive challenges are taking place from well-informed positions.

3.7.4 The 'Internal Audit Charter' is presented annually for approval by the S&GC. The purpose of the Internal Audit Charter is to formally define its purpose, authority, and responsibility. The Chief Internal Auditor has direct access to elected Members of the Authority and those who serve on the S&GC.

- 3.7.5 The on-going work of internal audit is presented routinely through the progress reports to the S&GC, providing an overview of service performance. It considers delivery against the plan and the progress made by the service in the implementation of management actions that have been agreed to mitigate risks identified through internal audit work.
- 3.7.6 Where appropriate, internal audit will gain assurances from third parties to contribute to their overall assurance opinion.
- 3.7.7 Representatives of External Audit routinely attend S&GC meetings and present external audit reports. Any recommendations for corrective action detailed within internal or external audit reports are highlighted to Members.
- 3.7.8 Financial reporting complies with relevant statute, codes and good practice guidance. Financial and performance information are reported consistently throughout the year. Where relevant and appropriate, performance comparisons are made to other organisations.
- 3.7.9 The Authority have a trading company, 3SFire. During 2020-2021 the trading company carried out a strategic review of its business activities which led to the Authority approving the change to the legal structure to enable the trading company to operate with the main aim of providing community benefit. On 1 April 2021 3SFire became a Community Interest Company (CIC). The company operate under the same governance of a Board of Directors and the 3SFire CIC Stakeholder Committee. The 3SFire CIC Stakeholder Committee ensure appropriate controls and scrutiny are in place for the trading company. To ensure and maintain separation of the Service and 3SFire CIC, which are separate legal entities, the internal governance of reports and performance is monitored by the Company Board and is reported to the Authority at its public committee meetings twice yearly, or as needed. 3SFire CIC are bound by the Regulator of Community Interest Companies (CIC) which requires full compliance with the regulation in order to operate.
- 3.7.10 Governance of our internal safeguarding arrangements are provided through various safeguarding audit activity work which is generated from both the local Adults Safeguarding Boards and the Local Childrens Safeguarding Partnership.
- 3.7.11 The implementation if an Officer Scheme of Authorisation as part of the Corporate Governance Framework has provided the ability to ensure effective accountability of Officers.

#### **4. Obtain assurances on the effectiveness of key controls.**

- 4.1 Key controls relating to risks, internal control (including financial management) and governance processes are identified by senior managers as part of the governance framework.

- 4.2 Senior managers complete the annual certificate of assurance which is a self-assessment and declaration that they and their teams are familiar and operate within policy and internal control mechanisms.
- 4.3 The Authority receives an Annual Assurance Statement which is published on the website. The Annual Assurance Statement provides an accessible way in which communities, local authorities and other partners may make a valid assessment of their local fire and rescue authority's management of performance and key controls on financial, governance and operational matters and show how they have due regard to the expectations set out in the IRMP.
- 4.4 Risks are managed as determined by the risk management policy and progress monitored through risk registers.
- 4.5 Internal Audit, as part of its planned review of internal controls, regularly evaluates the key controls to determine their adequacy and carries out tests to confirm the level of compliance. An audit opinion on effectiveness is provided to management and any actions for improvement to be agreed.
- 4.6 HFRS in compliance with the General Data Protection Regulations (GDPR) which came into effect in May 2018 has developed and continues to deliver training to staff and raise awareness to Members. This will remain an ongoing and evolving commitment and progress reported to the Authority through the annual and mid-year performance reports.
- 4.7 The Authority prides itself on being a professional learning organisation that actively seeks challenge and review.
- 4.8 In 2018, HMICFRS concluded HFRS and IWFRS are 'Good' at effectively understanding risks within its community, 'Good' at efficiently managing its resources, and as 'Requires Improvement' at looking after its people. The Authority's S&GC and the Isle of Wight Council's Corporate Scrutiny Committee approved the joint action plan for HFRS and IWFRS, which ensured measurable actions were identified to deliver improvement. Progress against the action plan is routinely monitored by the Executive Group, and regularly reported to the Authority and Isle of Wight Council as an integral part of governance and performance assurance/improvement arrangements. The action plans were formally closed in July 2020.
- 4.9 In the summer of 2020, the Government commissioned HMICFRS to proceed with a COVID-19 inspection of all fire and rescue services and their response to COVID-19 with particular focus on: what is working well and what is being learnt; how the fire sector is responding to COVID-19; how fire services are dealing with the problems they face; and what changes are likely as a result of the COVID-19 pandemic.
- 4.10 The inspection was conducted entirely virtually for two weeks from 26 October 2020. There was also various information provided to the inspectorate in early September in advance of the inspection. Given our coordinated response to the pandemic, HFRS and IWFRS were inspected collectively. Following the

completion of inspection activity, the inspectorate generated a findings letter for each fire and rescue service accompanied by a national report.

4.11 HMICFRS's HIWFRS report concluded that: "In summary, we are impressed by how the service adapted and responded to the pandemic effectively to fulfil its statutory functions, protect the public and support staff wellbeing". The report also identified our aim to continue and develop several new ways of working to give longer lasting change. The report did, however, flag three areas of focus for us (which are being responded to):

- determining how we will adopt for the longer-term, the new and innovative ways of working introduced during the pandemic, to secure lasting improvements.
- making sure all wholtime firefighters are fully productive, while continuing to minimise the risk of them contracting or spreading the virus.
- evaluate how effective our extra activities have been.

4.12 From a governance perspective it is important for Members to secure assurance that the organisation is well-prepared for HMICFRS inspections, which will significantly increase the chances of a positive inspection result. As appropriate Members have received reports on HMICFRS inspection readiness.

4.13 The Fire Standards Board continues to consult on the development of Standards. Officers have been fully engaged in the process and have fed into the development of the Standards.

4.14 Other external reviews include the following:

- ISO27001 Information Security Audit accreditation meaning that HFRS are compliant to the internationally recognised information security standard;
- Complete annual Code of Connection (CoCo) review and Home Office submission for our Public Sector Network (PSN) / Emergency Services Network (ESN) connectivity;
- Complete annual audit and Code of Connection (CoCo) statement return for Airwave;
- Annual penetration tests by authorised third-party companies to conform to ISO27001, Public Sector Network and Emergency Services Network accreditation requirements;
- The National Fire Chiefs Council (NFCC) have published a Fire and Rescue Service (FRS) Safeguarding Guidance document which includes a requirement to provide a self-assessment return.
- Peer review of the Combined Fire Authority (CFA) project management activities and method.

## **5. Evaluate assurances and identify gaps in control/assurance.**

5.1 One of the key elements of the corporate governance framework and the production of the AGS is the methodology applied to obtain the necessary assurance. This has included:

- a self-assessment assurance statement (certificate of assurance) being sent every year to members of senior management;
- consultation with other relevant officers throughout the organisation.

5.2 The certificate of assurance covers a range of corporate governance and assurance issues and they refer to the existence, knowledge and application within departments of governance policies generally.

5.3 HFRS corporate governance framework illustrates how decisions are made and by whom. This framework works alongside the HFRA Constitution to ensure clarity around all governance arrangements. To provide a greater understanding around this an HFRS Corporate Governance procedure has been created which contains an Officer Scheme of Authorisation. This provides further assurances to all stakeholders on governance arrangements.

## **6. Action Plan ensuring continuous improvement of the system of governance.**

6.1 There is a requirement for the AGS to include an agreed action plan showing actions taken or proposed to deal with significant governance issues.

6.2 HFRS corporate governance framework provides a robust mechanism to ensure significant governance issues are identified, and an appropriate action plan is agreed to continue improvement of the system of governance.

6.3 The following identifies the actions to ensure continuous improvement of key governance issues that will be carried out over the next year 2021-2022:

6.3.1 To ensure the Corporate Governance Framework is updated as a result of restructures at Director level and that the Corporate Governance Framework and associated documents are made available for all staff.

6.3.2 As a result of the CFA, to carry out a Authority Member Allowances review.

6.3.3 To ensure that the Authority's new governance arrangements for the Combined Fire Authority are effectively and efficiently working.

6.3.4 To embed the Values into the organisation and encourage behaviours that demonstrate the Values positively.

6.3.5 To embed the new Risk Management System into the organisation to encourage good practices in risk management and reporting.

6.3.6 To carry out a gap analysis of each of the Fire Standards as they are released, particularly the Code of Ethics, to ensure the organisation is in a strong place and can give assurances to HMICFRS.

**7. In response to the Action Plan outlined in the 2020/21 Annual Governance Statement:**

7.1 There is a requirement for the AGS to include reference to how issues raised in the previous year's AGS been resolved.

7.2 The following identifies the actions resolved in 2020/2021:

7.2.1 The establishment of the Constitution and governance arrangements for the shadow period prior to the 1 April 2021 go-live date for the combined fire authority of Hampshire and Isle of Wight Fire.

7.2.2 Delivery of year one aims and objectives outlined within the Hampshire and Isle of Wight Safety Plan.

7.2.3 The establishment of directorate plans that align department activities to the aims and objectives outlined within the Hampshire and Isle of Wight Safety Plan.

7.2.4 As a result of the Covid-19 pandemic, the establishment of governance arrangements for local authority public meetings to be held as virtual meetings – the establishment of resilience and continued operation of local government decision making as an open and transparent process.

7.2.5 The review and publication of the Anti-Theft, Fraud, Corruption and Bribery Policy and procedure and Whistleblowing policy. The review and publication of Register of Interests, Gifts and Hospitality and Certificate of Assurance procedure. Awareness sessions held, available to all staff, to provide an overview of all the areas above.

7.2.6 The successful delivery of year one of operating with the new Personal Development Review (PDR) system for all staff.

7.2.7 The approval by the Authority of an improved Organisational Risk Register and the establishment of a process for scrutiny and review of risk by the Service and Authority.

**Declaration**

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are set out in this statement.

We propose over the coming year to take steps to further enhance our governance arrangements. We are satisfied that these steps will address the need for

improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

Chief Fire Officer

Date:

Signed:

HIWFRA Chair

Date: