



ANNUAL GOVERNANCE STATEMENT

2019/2020

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 (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. 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 HFRA Chairman and the Chief Fire Officer.
- 1.3. 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.
- 1.4. 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. Hampshire Fire and Rescue Service's (HFRS) corporate governance framework comprises the systems and processes, and cultures and values, by which HFRS 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 HFRS. HFRS 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. HFRS corporate governance framework is designed to provide a robust governance process, streamlines decision making and supports efficient and effective operations for the Service. The effectiveness of the framework is evaluated throughout the year.
- 2.6. HFRS Executive Group is chaired by the Chief Fire Officer and its purpose and responsibilities are clearly defined within its terms of reference, to make officer decisions to ensure the successful delivery of strategic objectives. 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) that establishes robust planning and control cycles for strategic and operational plans, and 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 HFRS 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 explains the delegation to officers is detailed within the Constitution's scheme of delegation, contracts 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 meeting 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 HFRA Members' codes of conduct, the registers of 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 A policy, procedure and guidance (PPG) framework has been developed and approved and is currently being 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.

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 will demonstrate openness and engage stakeholders.
- 3.2.2 The Authority approved the Hampshire and Isle of Wight safety plan 2020-2025. 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 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 HFRA and Isle of Wight Council (IWC) undertook joint formal consultation for the IRMP which ran for eight weeks from 30 September to 24 November 2019. The findings from the consultation process have been considered and have influenced the content of the safety plan.
- 3.2.5 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.
- 3.2.6 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.
- 3.2.7 The Authority, through HFRS, 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.
- 3.2.8 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, which was the most comprehensive integrated risk review carried out in recent years. The consultation process for the proposals enabled our staff, the public and other stakeholders to have their say on how their fire and rescue service should operate in the future.
- 3.2.9 Extensive consultation was also undertaken for the proposed creation of a Combined Fire Authority (CFA) with the Isle of Wight Fire and Rescue Service (IWFRS), enabling our staff, the public and other stakeholders to have their say on how their fire authority should operate in the future. These processes were quality assessed by the Consultation Institute and found to have conformed to best practice.
- 3.2.10 HFRA has a long history of collaborative working with partner agencies. In particular, blue light collaboration is governed by an Executive Board consisting of the Chief Officers and other senior leaders of Hampshire Constabulary, South Central Ambulance Service and Hampshire Fire and Rescue Service. The Board sets the strategic direction and

oversees collaboration projects. Reporting progress and awareness of blue light collaboration is presented to the Authority on a periodic basis at the Authority Policy Advisory Group (APAG).

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 This year 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. We have considered how we are:
 - Keeping communities safer
 - Keeping our staff safer
 - Keeping the organisation safer
- 3.3.5 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).
- 3.3.6 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

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

3.3.8 These focus our resources to the relevant community risks, and our 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.

3.3.9 This is underpinned by detailed 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.

3.3.10 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 are carried out prior to implementing a policy, procedure, change or decision with a view to ascertaining its potential impact.

3.3.11 Further impact assessments may be required prior to implementing a policy, procedure, change or decision, these include assessments of health and safety, environmental, data protection and financial impacts.

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 plans are detailed in risk registers held at strategic, directorate and project level. These evaluate the

effectiveness of existing control measures as well as identifying proposed mitigation.

- 3.4.5 The strategic risk register was reviewed during the year. The review was carried out to ensure the risks on the register accurately reflect the current operational and organisation environment. The Authority approved the strategic risk register and monitor it regularly through formal reporting.
- 3.4.6 The Authority approved the Risk Management Policy on 19 February 2020. The Authority is due to receive a future report on the closure of the current HFRA Strategic Risk Register and be presented for approval the new Organisational Risk Register that delivers the risk management approach as set out within the Risk Management Policy agreed by HFRA on 19 February 2020.
- 3.4.7 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 command structure. This has included supporting other agencies to achieve their own outcomes during the crisis.

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 veracity of advice, information and quality decision making.
- 3.5.4 The Authority holds pre-authority meetings which supports the 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, and 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 has a Member development champion who supports and oversees the development of Members in a number of ways, such as internal and external briefings and courses.
- 3.5.8 HFRS delivers thorough induction 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 approach to leadership, management and technical development.
- 3.5.13 Our POD framework identifies leadership and management development as a strategic priority, which is supported by our current HMICFRS action plan. The leadership framework has been developed in conjunction with multiple stakeholders, and is a critical element of the POD delivery plan.

- 3.5.14 Based on the insights we gained from our cultural survey and HMICFRS inspections, we have developed a people and development strategy. 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.
- 3.5.15 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.
- 3.5.16 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.
- 3.5.17 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.
- 3.5.18 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.
- 3.5.19 The Service is committed to driving high performance by unlocking the potential of all employees. HFRS will be rolling out revised personal development reviews (PDR), 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, with oversight of the arrangements provided by the Policy and Planning Board, which reports to the Executive Group.
- 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 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 objectives. 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-fraud and corruption strategy and 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 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.
- 3.6.11 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.

- 3.6.12 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.
- 3.6.13 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.
- 3.6.14 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 it is expected that a balanced budget can be set during this period. 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.
- 3.6.15 Once a multi-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 Plans for a new Combined Fire Authority (CFA) are progressing, with a planned implementation date of 1 April 2021, and any future financial decisions will also need to be made in this context.
- 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.
- 3.7.3 Members involved in performance oversight 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, and 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 In 2019 the Authority considered a report informing of the best practice guidance contained within the Grant Thornton Report entitled "*creating and operating a successful fire trading company*" which was published in September 2018. The Grant Thornton guidance highlights areas of risk associated with trading companies and income generation, addressing considerations regarding competition law, state aid, the use

of branding, use of uniformed firefighters, and potential for board member conflict of interest.

- 3.7.10 The Grant Thornton research identified several fire trading companies were set up more than 10 years ago and have not regularly evaluated their governance arrangements to ensure these remain effective and fit for purpose. It is recommended that the governance arrangements as well as the performance of the fire trading company should be regularly reviewed by the board and/or shareholders.
- 3.7.11 The Grant Thornton guidance recommends that the shareholder of fire and rescue authorities (FRA) should not be involved in the day to day running of the trading company, in order to allow it the necessary freedoms to operate at arm's length. It is important to be clear of the role of the FRA, to provide sufficient strategic control to exert influence, but enable the company to run operationally.
- 3.7.12 The guidance states that one way to facilitate this separation is to have a shareholder committee as part of the governance structure, to ensure adequate safeguards that the company is carrying out work in line FRA's strategy.
- 3.7.13 The Authority approved the recommendation to amend the Constitution and establish the 3SFire Stakeholder Committee. The HFRA trading company governance remains under on-going review to ensure the appropriate controls and scrutiny are in place. HFRA is the sole shareholder of 3SFire Ltd being a local authority trading company limited by shares. HFRA has delegated functions of the shareholder to the committee. To ensure and maintain separation of HFRS and 3SFire Ltd, 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.
- 3.7.14 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.

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 to provide 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 HMICFRS concluded HFRS are 'Good' at effectively understanding risks within its community and 'Good' at efficiently managing its resources. HFRS was graded as 'Requires Improvement' at looking after its people. The Authority's S&GC approved the action plan for HFRS, which ensures measurable actions are identified to deliver improvement. Progress against the action plan is routinely monitored by the Executive Group, and regularly reported to the Authority as an integral part of governance and performance assurance/improvement arrangements.
- 4.9 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.
- 4.10 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 performance 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 handbook will be created which will contain an Officer Scheme of Authorisation. This will provide 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:

- 6.3.1 To establish the Constitution and governance arrangements for the shadow period prior to the combined fire authority, Hampshire and Isle of Wight Fire and Rescue Authority, go-live date of April 2021.
- 6.3.2 Delivering on the aims and objectives outlined within the Hampshire and Isle of Wight Safety Plan.
- 6.3.3 To establish directorate plans that align department activities to the aims and objectives outlined within the Hampshire and Isle of Wight Safety Plan.

- 6.3.4 To establish the governance arrangements for local authority public meetings being held as virtual meetings, establishing resilience and continuing to operate local government as an open and transparent process, further to the impact of the Coronavirus Covid-19 pandemic.
- 6.3.5 To review all fraud, corruption, money laundering and whistle blowing policies and procedures to ensure they are fit for purpose.
- 6.3.6 To ensure the roll out and delivery of a new Personal Development Review (PDR) system for all staff.
- 6.3.7 To present to the Authority for approval an improved Organisational Risk Register and to establish a process for scrutiny and review of risk by the Service and Authority.

7. In response to the Action Plan outlined in the 2019/20 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 2019/2020:
 - 7.2.1 HFRS implemented a new, approved Safety Plan (incorporating both the Service Plan and Integrated Risk Management Plan) for the period 2020-2025, being the mechanism to deliver the Authority's aims and objectives in a manner supportive of the communities in which we serve.
 - 7.2.2 HFRS has continued to implement the approved service policy framework, reviewing policies to ensure up to date and published on appropriate platforms and continues to embed the process throughout the organisation. The governance process for procedures has been established at Directorate Board level and all policy change will be reported to the Executive Group for approval.
 - 7.2.3 We have reviewed the framework and arrangements that govern our impact assessments. This has been published on appropriate platforms and the process continues to be embedded throughout the organisation.
 - 7.2.4 HFRS is delivering on the areas of improvement outlined within the HMICFRS inspection action plan, and progress is routinely monitored by the Executive Group and regularly reported to the 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:

HFRA Chairman

Date: