

**Proposed Decision to be taken by the  
Portfolio Holder (Community Safety)  
on or after 26 October 2012**

**Response to Department for Communities and Local Government  
consultation on 'Guidance on statements of assurance for Fire and  
Rescue Authorities in England'**

**Recommendation**

That the Portfolio Holder approves the County Council's response to the consultation, as outlined at 2.0.

**1.0 Key Issues**

- 1.1 The Fire and Rescue National Framework for England (the Framework) sets out the requirement for all Fire and Rescue Authorities to provide annual assurance on financial, governance and operational matters and to show how they have due regard to the requirements included in the Framework and the expectations set out in Authorities' own Integrated Risk Management plans. To demonstrate this, the Framework requires that each authority must publish an annual statement of assurance.
- 1.2 The consultation document provides draft guidance on the content of these annual statements of assurance, and indicates how Fire and Rescue Authorities' existing assessment processes might feed into the statements. The guidance sets out the requirements for the contents of statements of assurance Fire and Rescue Authorities will be responsible for determining the format of their statements.
- 1.3 The Fire and Rescue Minister has indicated that statements of assurance should be seen as "a proportionate requirement for an important public service with no specific inspectorate." However, the Minister is clear that these statements should not duplicate existing arrangements. Therefore, in producing statements of assurance, authorities may wish to consider how they can be aligned with other regular publications, perhaps providing a link to appropriate documents or other relevant material, in order to avoid duplication.
- 1.4 For clarification, the statement of assurance proposed in this guidance is, in addition to and must therefore complement this Council's production of an Annual Governance Statement covering the whole organisation.

## 2.0 Response to the Consultation Paper

2.1 In terms of the Department for Communities and Local Government's proposals, Warwickshire County Council's response is set out below:

### Questions:

Does the draft guidance set out sufficiently clearly what is expected of Fire and Rescue Authorities to complete their statements of assurance?

If not, how could it be improved?

Specifically, what would you change and what would you add?

### Response:

- The draft guidance is clear enough to allow Fire and rescue authorities the flexibility whilst avoiding duplication with the Annual Governance Statement and accompanying Statement of Accounts also provides scope for more detailed attention to be given to specific Fire and rescue issues. Existing reporting mechanisms can be used to provide transparency assurance and accountability to the public in relation to the delivery and performance of fire and rescue services.
- The use of the fire and rescue service integrated risk management plans and the operational assurance toolkit would also improve the focus on service delivery issues that really matter to the local communities.
- There is however a question around the availability of adequate benchmarking data as individual authorities may not all have access to accurate and independently verified information for publication on their websites.
- As regional and national resilience is a key contribution to operational assurance, further thought should be given to how these dependencies are captured within the statement of assurance guidance. This issue also needs to be considered across other agencies within a fire authority area. With this in mind, it would be helpful to provide linkage to the assurance regimes of other community safety partners.
- We question the timeframe outline in paragraph 8 of the guidance and the need to link the timescale with Statement of Accounts. We believe that there should be prompt publication of the statement after the year end to add value to communities.
- The guidance appears to be written more for the benefit of independent Fire & Rescue Authorities with their own performance finance and governance systems than for County Council based Fire and rescue

services who utilise corporate systems. The guidance needs to recognise and reflect this difference.

### 3.0 Background Papers

- 3.1 Department for Communities and Local Government Guidance on Statements of Assurance for Fire and rescue Authorities in England Consultation document (September 2012), as attached at Appendix A.

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Department for  
Communities and  
Local Government

# Guidance on statements of assurance for fire and rescue authorities in England

Consultation

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# Ministerial foreword

The Coalition Government is committed to unburdening local government: eliminating top-down bureaucracy, reducing needless red tape, and increasing local flexibility. We want to enable local government to get on with its job of providing services to communities.

For fire and rescue authorities, this ethos is demonstrated by the revised Fire and Rescue National Framework for England, published in July 2012, and in the provisions of the *Localism Act 2011*, which helps to free fire and rescue authorities from Whitehall control, allowing them to run their services as they see fit.


But with this freedom and flexibility comes the need for responsibility, accountability and transparency. It is no longer sufficient to provide an exemplar service. Increasingly, communities have the right to know *how* their services are being provided.

It is against this background that the Fire and Rescue National Framework for England set out a requirement for fire and rescue authorities to publish *statements of assurance*. This will provide appropriate assurance to communities and Government on a range of matters – financial, governance, operational – and demonstrating how authorities have met their Framework commitments.

The *guidance on statements of assurance* indicates what should be incorporated within authorities' assurance statements, although they will have flexibility over format and presentation in order to best suit their own individual circumstances.

The Government is committed to giving fire and rescue authorities the power to deliver services in a way that best meets their communities' needs. The Government is pleased with the progress on this to date and looks forward to new ways of working and further innovation in the sector.

I look forward to receiving comments to this consultation and working with fire and rescue authorities and other organisations to help make our communities even more informed and safer.



**Brandon Lewis MP**  
**Minister for the Fire and Rescue Service**

# Consultation questions

Consultees are invited to respond to the following questions:

## **Question 1**

**Does the draft guidance set out sufficiently clearly what is expected of fire and rescue authorities to complete their statements of assurance?**

## **Question 2**

**If not how could it be improved?**

## **Question 3**

**Specifically, what would you change and what would you add?**

Responses are required by **15 November 2012** and should be sent to:

**[fsed6@communities.gsi.gov.uk](mailto:fsed6@communities.gsi.gov.uk)**



## Introduction

1. The Fire and Rescue National Framework for England (the Framework) sets out the requirement for all fire and rescue authorities to provide annual assurance on financial, governance and operational matters and to show how they have due regard to the requirements included in the Framework and the expectations set out in authorities' own integrated risk management plans. To demonstrate this, the Framework requires that each authority must publish an annual statement of assurance.
2. This document provides guidance on the content of these annual statements of assurance, and indicates how fire and rescue authorities' existing assessment processes might feed into the statements. This guidance sets out the requirements for the contents of statements of assurance; fire and rescue authorities will be responsible for determining the format of their statements.
3. The Fire and Rescue Minister has indicated that statements of assurance should be seen as "a proportionate requirement for an important public service with no specific inspectorate." However, the Minister is clear that these statements should not duplicate existing arrangements. Therefore, in producing statements of assurance, authorities may wish to consider how they can be aligned with other regular publications, perhaps providing a link to appropriate documents or other relevant material, in order to avoid duplication.

## Context

4. The delivery of public services is a matter of public interest, and how they perform is increasingly the subject of scrutiny. Fire and rescue authorities should be accountable for their performance to, and therefore open to evaluation by, the communities they serve. To enable this they should provide information on their performance that is accessible, robust, and fit-for-purpose; and that accurately reports on effectiveness and value for money.
5. There is already a range of matters on which fire and rescue authorities must report, for example their statement of accounts<sup>1</sup>. The statement of assurance sits alongside these requirements and is intended to be an easy-to-access document. Existing documents such as the statement of accounts, the governance statements<sup>1</sup>, or the integrated risk management plan, are comprehensive and specialised documents which may not be easy to read, or simple to navigate, to those unfamiliar with them. One of the principal aims of the statement of assurance is that it should be an accessible document which enables individuals, communities, and partners to make a valid assessment of their local fire and rescue authority's performance.

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<sup>1</sup> Required under the Accounts and Audit (England) Regulations 2011

6. The statement of assurance can also be a mechanism for fire and rescue authorities to provide information to Government on specific areas of performance, as may occasionally be required under section 26 of the Fire and Rescue Services Act 2004. Where such information is to be required, fire and rescue authorities will be informed at the earliest opportunity.
7. This guidance does not set out a suggested template for the statement of assurance. It is for authorities to decide how they wish to present the information to Government, and their communities.
8. For clarity and consistency, fire and rescue authorities should aim to publish their statements of assurance annually to coincide with their other statutory and reporting requirements. Authorities should aim to publish their annual statements of assurance within three months of the publication of their statement of accounts. The first statements of assurance are due to be published in 2013, and annually thereafter.

## **Assessment and ownership**

9. In order to develop an evidence-base to inform and underpin the statements of assurance, authorities should assess their performance in the following key areas. Whilst the methodology used to undertake these assessments is a matter for the fire and rescue authority to determine, it will need to satisfy itself that the method taken is appropriate and fit-for-purpose.
10. The statement of assurance should be signed-off, in the usual way, by an elected member who can approve it on behalf of the authority.

## **Content of the annual statement of assurance**

### *Financial*

11. Fire and rescue authorities are responsible for ensuring that their business is conducted in accordance with the law and proper standards; and that public money is properly accounted for, and used economically, efficiently and effectively.<sup>2</sup>
12. It is a statutory requirement, under the Accounts and Audit (England) Regulations 2011 for authorities to publish the financial results of their activities for the year. This document (called the statement of accounts) shows the annual cost of providing the fire and rescue service.

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<sup>2</sup> It is a duty under section 3 of the *Local Government Act 1999* for fire and rescue authorities to make arrangements to secure continuous improvement in the way in which their functions are exercised, having regard to a combination of economy, efficiency and effectiveness

13. The production and presentation of fire and rescue authority accounts is determined by the Code of Practice on Local Authority Accounting in the United Kingdom<sup>3</sup>. This specifies the principles and practices of accounting required to give a “true and fair” view of the financial position and transactions of the authority.
14. Since an authority’s financial statement is the principal means by which an authority accounts for the stewardship of public funds, this statement should be subject to a robust assessment as a means of quality assurance. Accordingly, the accounts must be certified by the authority’s chief financial officer (who must be a qualified accountant) and audited by an independent auditor. The authority has responsibility for the approval of the statement of accounts prior to publication.
15. The statement of assurance should briefly set out whatever assessment procedures are in place with regard to fire and rescue authorities’ statements of account. For example, some authorities may have in place internal control mechanisms which ensure efficient and effective management of accounts. Other authorities may have specific audit arrangements, either internally or under agreement with other authorities. Therefore, for the statements of assurance, authorities should set out what arrangements they have put in place, indicating their level of satisfaction with them and any proposals for improvements. Consideration should be given to referencing savings targets, budget planning, and value-for-money on spending.

### *Governance*

16. Good governance structures enable an authority to demonstrate that, amongst other things, it has appropriate mechanisms for the control and management of risk. The Accounts and Audit (England) Regulations 2011 require local authorities, including fire and rescue authorities, to prepare an annual governance statement in support of the annual statement of accounts.
17. The purpose of the governance statement is to provide public assurance that authorities have a sound system of internal control, that they can demonstrate that the system is subject to a periodic review of its effectiveness and that appropriately robust corporate governance arrangements are in place which are designed to help manage and control their risks. The governance statement is an expression of what the authority has done to put in place appropriate business practice, setting high standards of conduct and sound governance.

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<sup>3</sup> Published by the Chartered Institute of Public Finance and Accountancy (CIPFA)

18. The Delivering Good Governance in Local Government: Framework<sup>4</sup> states that the process for compiling the annual governance statement should be clearly set out and provided as part of supporting evidence. It sets out six key principles of good corporate governance.<sup>5</sup> These are:

- (i) Focusing on the purpose of the authority and on outcomes for the community, and creating and implementing a vision for the local area
- (ii) Members and officers working together to achieve a common purpose with clearly defined functions and roles
- (iii) Promoting the values of the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- (iv) Taking informed and transparent decisions which are subject to effective scrutiny and management of risk
- (v) Developing the capacity and capability of members and officers to be effective
- (vi) Engaging with local people and other business partners to ensure robust public accountability

19. Some of these principles are reflected in the Framework requirements.

20. Fire and rescue authorities should keep under review the effectiveness of their governance arrangements. The statement of assurance should set out what work they have undertaken in conducting a review of the effectiveness of their governance framework, including the system of internal control.

21. Any such review should, for example, consider – but is not necessarily limited to – the following:

- the adequacy and effectiveness of any review processes put in place by the authority management
- any outcomes from a formal risk assessment and evaluation e.g. a risk register

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<sup>4</sup> The Chartered Institute of Public Finance and Accountancy / Society of Local Authority Chief Executives (CIPFA/SOLACE) framework Delivering Good Governance in Government includes best practice objectives that provide the basis for councils to develop and maintain a local code of governance which reflects its type, size, functions and nature

<sup>5</sup> The six principles are taken from the Good Governance Standard developed by the Independent Commission on Good Governance in Public Services with support from the Office for Public Management and the Chartered Institute of Public Finance and Accountancy, in partnership with the Joseph Rowntree Foundation

- any self-assessments of specific service areas
- any other relevant internal audit reports
- any outcomes from reviews by other bodies including external auditors
- how the implementation of any recommendations made by such bodies are being taking forward
- the performance of any service that has been contracted out; including any areas where performance has fallen below a satisfactory standard, and any actions taken by the fire and rescue authority to rectify this

22. In drafting the statement of assurance, fire and rescue authorities should consider the principals of transparency set out in the Code of Recommended Practice for Local Authorities on Data Transparency<sup>6</sup>. The Code, which will be updated shortly, recommends that authorities adopt the following three key principles of transparency when publishing data:

- responding to public demand
- releasing data in open formats available for re-use
- releasing data in a timely way

23. Greater transparency is a key element of the Framework and is at the heart of the Government's commitment to enabling the public to hold their authorities to account for the way they spend public money.

24. This principal is embodied in the requirement in section 38 of the Localism Act 2011 for all relevant authorities (including fire and rescue authorities) to prepare annual pay policy statements from the financial year 2012-13.

25. Fire and rescue authorities may wish to consider including a section within the statement of assurance on any areas where they have identified that improvements may be made, particularly where there are plans being implemented to that end. This would demonstrate that the authority is committed not only to properly managing its affairs but to striving to improve on its assurance arrangements.

### *Operational*

26. Fire and rescue authorities function within a clearly defined statutory and policy framework. The key documents setting this out are:

- the Fire and Rescue Services Act 2004

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<sup>6</sup> The Code, published by the Department of Communities and Local Government in September 2011, is concerned with enshrining the principles of transparency by asking councils to follow specified principles when publishing data they hold. It is available online

- the Civil Contingencies Act 2004
  - the Regulatory Reform (Fire Safety) Order 2005
  - the Fire and Rescue Services (Emergencies) (England) Order 2007
  - the Fire and Rescue National Framework for England
27. Fire and rescue authorities already consult on, and publish, their integrated risk management plans which set out local strategies including (where appropriate) cross-border, multi-authority and national arrangements. The contents of their integrated risk management plan are a matter for each fire and rescue authority. The statement of assurance should include details of the extent of the consultation exercise undertaken, and confirmation that communities were provided with relevant and appropriate information to enable active and informed participation in the decision making process.
28. The statement of assurance should also indicate where fire and rescue authorities have entered into agreements and/or mutual aid arrangements with other relevant bodies. Where appropriate, it should include an acknowledgement that fire and rescue authorities have business continuity plans in place which are reviewed at set periods. The level of detail included will be a matter for each individual fire and rescue authority and may be linked to their integrated risk management plan.
29. Though not a specific requirement, it may be of interest to communities, and would help encourage best practice, for fire and rescue authorities to include relevant summaries/information on:
- lessons learnt
  - training and development
  - any action plans arising from self assessments/ peer reviews
  - operational assessments
30. It is not the aim of the statement of assurance to set out the operational procedures for fire and rescue authorities with regard to the response to fires, road/traffic accidents and other emergencies, or the duties required of authorities involved in wider national resilience.
31. However, the statement of assurance is the appropriate information point for communities and Government with regard to some considerations which have a bearing on operational competence/delivery. These include:

- (i) *Statutory advice received under health and safety or other legislation.*

Following an incident or activity where advice (e.g. a Coroner's rule 43 letter, or Health and Safety Executive improvement measure) has been issued to the authority, it is appropriate for the fire and rescue authority to use the statement of assurance as a means to inform their communities how they are taking forward that advice.

- (ii) *Single-issue or thematic areas of interest.*

Some communities may have an interest in how their fire and rescue authority would respond to single issue events, such as outbreaks of civil disturbance, or a chemical leakage. Where this is the case, the authority should consider using the statement of assurance to make clear to their community that operational procedures are in place to deal with such incidents, backed up by appropriate resources; and how any potential issues of concern are actively being addressed.

- (iii) *Assurance and access to data and information.*

Fire and rescue authorities' integrated risk management plans may include defined local standards for the delivery of certain functions such as call-handling, operational response times, or levels of fire safety activity. Fire and rescue authorities may wish to utilise the statement of assurance to provide high level assurance of their performance in these areas, including any commentary on actions to improve performance.

### *Framework requirements*

- 32. Where fire and rescue authorities are satisfied that the systems they have in place, and any specific measures they have undertaken, fulfil their Framework requirements, this should be clearly stated in the statement of assurance. Since many of the Framework requirements are linked to and overlaid with governance and operational procedures, as already set out in this guidance, authorities may prefer to make a simple declaration that the Framework requirements have been met.
- 33. If there are any outstanding issues with regard to fulfilling any of the Framework requirements, fire and rescue authorities should indicate in the statement of assurance the measures that have been taken to address these matters and when they are expected to be resolved.