

Statement on annual governance arrangements by the Chair of the Combined Fire Authority, the Treasurer to the Combined Fire Authority and the Chief Fire Officer

Scope of Responsibility

The Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and that resources are used economically, efficiently and effectively. In discharging this responsibility, the Authority has in place a framework of governance comprising the systems, processes, culture and values by which it is directed and controlled and through which it accounts to the public, service users, employees and other stakeholders. During the year, the Authority has continued to review and strengthen this framework, including through the ongoing refresh of its constitutional and policy framework, the continued development of member and officer governance arrangements, and the embedding of programme and performance governance to support service improvement, productivity and efficiency.

The Authority has continued to develop its arrangements for overseeing organisational performance, transformation and value for money. This includes the use of corporate programme governance, performance reporting, budget monitoring, workforce planning and service improvement arrangements to support delivery of priorities. The continued development of modern ways of working and productivity-focused improvement activity has strengthened the Authority's ability to monitor delivery, manage change and track benefits in a more structured and transparent way.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Authority approved and adopted an updated Local Code of Corporate Governance in 2018, which was reviewed by the Audit Committee in June 2026. It aligns with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Delivering Good Governance in Local Government Framework 2016. Included within the Code are the following core principles:

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
2. Ensuring openness and comprehensive stakeholder engagement
3. Defining outcomes in terms of sustainable economic, social, and environmental benefits
4. Determining the interventions necessary to optimise the achievement of the intended outcomes
5. Developing the entity's capacity, including the capability of its leadership and the individuals within it

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6. Managing risks and performance through robust internal control and strong public financial management
7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

(A copy of the code, setting out the core and supporting principles, what the Authority commits itself to do and how it will do this can be found on our website at [Code of Corporate Governance | Lancashire Fire and Rescue Service](#)).

This statement explains how the Authority has complied with the code and also meets the requirements of regulation 6(2) of the Accounts and Audit Regulations 2015 in relation to the publication of a statement on internal control.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Authority for the year ended 31 March 2026 and up to the date of approval of the 2025-26 Statement of Accounts.

The Governance Framework

The Authority's Local Code of Corporate Governance sets out its framework for corporate governance. The key elements of the systems and processes that comprise the Authority's governance arrangements, in accordance with the seven principles of the Local Code of Corporate Governance, include:

- The Community Risk Management Plan (CRMP) sets out the direction of the Service and how we will make Lancashire safer. It is informed by the greatest risks to the people and communities of Lancashire which are identified in our strategic assessment of risk. The plan describes our aim, priorities, equality objectives and values, alongside how we will prevent, protect and respond to the risks in Lancashire. The current plan covering 2022-2027 can be found on our website at [Community Risk Management Plan 2022-2027 | Lancashire Fire and Rescue Service \(lancsfireandrescue.org.uk\)](#).
- Lancashire Fire and Rescue Service has six core strategies: our People, Prevention, Protection, Response, Financial and Digital Strategies. Our prevention, protection and response activities address the fire and rescue related

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risks that are identified in those strategies and outline the measures in place and actions we take to make Lancashire safer. Each strategy is periodically reviewed and evaluated to ensure we are delivering against our outlined objectives and are doing so in the most efficient and effective way. Wherever necessary, changes will be made within each strategy to ensure we operate in line with our aim, priorities and values.

- The Strategic Assessment of Risk (SAoR) underpins our Community Risk Management Plan (CRMP) by helping to ensure that risk management drives decision-making within Lancashire. This document can be found on our website at [Strategic assessment of risk 2025-2026 | Lancashire Fire and Rescue Service](#).
- The Annual Service Plan details the activities we will undertake to deliver the strategy set out in our CRMP. The current plan was approved this year and can be found on our website at [Annual Service Plan 2026 - 2027 | Lancashire Fire and Rescue Service](#);
- The Lancashire Combined Fire Authority's consultation strategy has been in place since the integrated risk management planning arrangements were introduced in 2003 [Consultation Strategy | Lancashire Fire and Rescue Service](#);
- A comprehensive performance management framework is in place, with the Performance Committee and Service Management Team receiving regular reports on performance against targets and any corrective action taken to address variances. The Authority also publishes an Annual Service Report each year.
- The Authority maintains formal programme and change governance arrangements to oversee major projects, transformation activity and improvement work. These arrangements include the Corporate Programme Board, this oversees the Business Process Improvement Programme, Organisational Change and Improvement Programme Board, Capital Projects Programme, Fleet and Equipment Programme and Modern Ways of Working Programme, which together support oversight of delivery, management of interdependencies, review of risks, allocation of resources and monitoring of progress across key organisational priorities.
- The Authority has developed a Productivity and Efficiency Plan to provide a clearer and more structured framework for identifying, coordinating and monitoring activity intended to improve productivity, efficiency and value for money. The plan supports oversight of savings, service improvement, modern ways of working and related change activity, and is considered through the Authority's existing governance arrangements for performance, finance, programme delivery and member reporting.
- The Authority operates a Committee Structure aligned to strategic objectives, within agreed Terms of Reference, as follows:-
 - The Audit Committee - To advise on the adequacy and effectiveness of the Authority's Internal and External Audit Service and risk management

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arrangements, which operates in line with the core functions identified in CIPFAs Audit Committees – Practical Guidance for Local Authorities.

- The Resources Committee - To consider reports and make decisions relating to financial, human resources and property related issues.
 - The Planning Committee - To consider reports and make decisions relating to all aspect of planning arrangements, including consultation and communication arrangements.
 - The Performance Committee - To consider reports and make recommendations on all aspects of performance management.
 - The Appeals Committee -To hear relevant appeals, grievances and complaints.
- The Authority recognises the importance of effective member oversight, informed scrutiny and independent assurance. The committee structure, together with member development, officer support and the work of internal and external audit, supports transparent decision-making and constructive challenge. During the year, the Authority has been looking at how to improve the audit and governance side of the constitutional review, for example by updating the committee remit, considering an Independent Person, and strengthening how risk, assurance and scrutiny are handled.
 - The Service has a clear management structure. The Executive Board, comprising the Chief Fire Officer (Head of Paid Service) and four Executive Directors, is responsible for strategic direction, monitoring performance and developing service plans in line with the Authority's overall objectives, supported by the Service Management Team.
 - The Authority's governance arrangements are underpinned by its Constitution, Scheme of Delegation, Financial Regulations, Contract Standing Orders, Codes of Conduct, risk management arrangements, performance and financial management frameworks, and the work of its committees and statutory officers. The Chief Fire Officer, Treasurer and Monitoring Officer each play a distinct role in maintaining and reviewing the effectiveness of these arrangements, and governance continues to be strengthened through regular liaison between the statutory officers, review of key governance documents, and continued improvement of assurance, scrutiny and reporting arrangements. During the year, further work has been undertaken to refresh aspects of the constitutional framework and supporting policies to ensure they remain current, clear and aligned to good practice.
 - Comprehensive suite of strategies and policies in place and regularly reviewed.
 - Codes of Conduct for members and officers, and member-officer protocol, which set out clear expectations for standards of behaviour.

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- Both the Monitoring Officer and the Treasurer are involved in the Authority's decision-making process and help ensure compliance with established policies, procedures, laws and regulations. All Authority reports are considered for human resources, financial, business risk, environmental and equality implications to identify key issues.
- The Treasurer's role and financial management arrangements align with the requirements set out in CIPFA's Statement on the Role of the Chief Financial Officer in Local Government and the Financial Management Code.
- Well publicised arrangements for dealing with complaints and whistleblowing, and for combating fraud and corruption.
- A Risk Management Strategy and framework which ensures that risks to the Service's objectives are identified and appropriately managed.
- Comprehensive Business Continuity arrangements in place and tested on a regular basis.
- A framework to review potential partnership arrangements utilising set criteria prior to entering such arrangements.
- Compliance with data transparency requirements, including publication of all key documents, committee agenda and minutes, pay policy and publication scheme on the internet.
- Regular assessment of training and development needs of both members and officers, including appropriate appraisal system. Sufficient budget to meet relevant training requirements; and
- Comprehensive service review process in place, comprising external views in the form of HMICFRS Inspection review, External Audit reviews, Internal Audit reviews and internal reviews undertaken by our own staff. Ultimately these culminate in the production, and publication, of an Annual Assurance Statement.

The Authority has also taken into account the outcomes of service inspection and internal service review activity. These sources provide further assurance regarding the overall strength of the Authority's governance, leadership and performance arrangements, whilst also helping to identify specific areas where processes, documentation or oversight can be further improved. The Authority is committed to ensuring that learning from inspection, audit and self-assessment is reflected in its governance framework and improvement activity.

Review of effectiveness

In reviewing the effectiveness of its governance framework, the Authority has considered evidence from a range of assurance sources. These include the work of members and committees, the activities of the statutory officers, internal audit, external audit, inspection findings, performance and financial monitoring, risk management, and the views of senior officers responsible for governance and

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control. Taken together, these sources provide reasonable assurance that the Authority's governance arrangements remain generally sound and continue to operate effectively, whilst also identifying areas where further improvement and modernisation are required.

A Statement of Assurance was approved by the Authority in February 2026. It sets out the effectiveness of the governance arrangements for which the Authority is responsible, including the system of internal control. The statement covers all the principles set out in the Authority's Code of Corporate Governance. It identified no material weaknesses in the Authority's corporate governance arrangements; overall, the arrangements were assessed as at least adequate and, in most areas, good.

In maintaining and reviewing the effectiveness of the Authority's governance arrangements the following have been considered:-

- A review of minutes of the Executive Board, Audit Committee and Authority to ensure that periodic monitoring and reviews are being reported appropriately and governance issues are addressed.
- We updated our Strategic Assessment of Risk that underpins our Community Risk Management Plan (CRMP) by ensuring that risk management drives decision-making within Lancashire. We undertook an emergency cover review (ECR) in 2022 to ensure that its emergency response remains effective and efficient, and that the Service is well equipped to respond to future challenges.
- His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) published the outcome of the Service's latest full inspection on 14 August 2025. The inspection assessed Lancashire Fire and Rescue Service across 11 areas and concluded that the Service had achieved six 'Outstanding' and five 'Good' ratings. This included being the only service in the country to receive a minimum rating of 'Good' in every inspection area. The report highlighted the Service's strong performance in keeping people safe and secure from fire and other risks, and recognised strengths including its understanding of risk, protection activity, use of resources, culture and workforce. The report also included one Area for Improvement relating to Equality Impact Assessments, which the Service is taking forward through its established improvement and assurance arrangements.
- A new Annual Service Plan has been published, providing clarity, both internally and externally, on our priorities set out in the CRMP and describes what our ambitions are for each priority, as well as setting out the projects and actions that will be delivered, developed or reviewed during the coming year against each of our priorities. This is supported by Local Delivery Plans.
- Statement of Intent: Enhanced Collaboration agreed between Lancashire Fire and Rescue Service (LFRS), Lancashire Constabulary and Northwest Ambulance Services. Collaboration group established with regular reports to Members.
- The Organisational Assurance Team, within Planning, Performance and Assurance, is now an established part of the Service's assurance framework and

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has a broader remit than operational assurance alone. The team is responsible for HMICFRS liaison, operational preparedness, and undertaking internal assurance activity across the organisation based on trends, themes and emerging needs. It identifies and shares good practice, supports improvement, and tracks actions through to completion. The team works closely with the Operational Assurance Team (under Training and Operational Review), which leads on operational learning and response, including the quarterly operational assurance performance summary. A programme of preparedness visits is managed through the Organisational Assurance Team, building on the operational audit activity previously in place.

- Performance appraisals incorporating values is undertaken throughout the Service.
- Internal audit services were provided by Lancashire County Council, which complies with the Public Sector Internal Audit Standards. The Head of Internal Audit is required by professional standards to provide an opinion on governance, risk management and control, thereby providing assurance that the risks to the Authority's objectives are being adequately and effectively managed. As part of the 2024-25 internal audit plan, auditors undertook a range of reviews and gave an overall opinion that they could "provide substantial assurance regarding the adequacy of design and effectiveness in operation of the organisation's frameworks of governance, risk management and control."
- The Authority's external auditors are Grant Thornton. Auditors of fire authorities in the UK have specific legal responsibilities under the Local Audit and Accountability Act 2014. Under section 20(1)(c) of that Act, auditors are required to assess whether fire authorities have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources. The Code of Audit Practice, issued by the National Audit Office (NAO), requires auditors to provide a value for money commentary focusing on financial sustainability, governance, and the Authority's arrangements to improve economy, efficiency and effectiveness. A summary of their key judgements is provided below:
 - Financial Sustainability – "No significant weaknesses in arrangements identified".
 - Governance – "No significant weaknesses in arrangements identified".
 - Improving economy, efficiency and effectiveness - "No significant weaknesses in arrangements identified".

On 17 December 2025, Grant Thornton gave an unqualified opinion on the Authority's financial statements for the year ended 31 March 2025.

The Authority has considered the findings of both internal and external assurance activity during the year. While no significant weaknesses in governance were identified, assurance work highlighted areas where arrangements should be strengthened further, particularly in relation to the timeliness and completeness of policy and governance document review and the clarity of committee reporting on

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internal audit follow-up and recommendation tracking. Management has accepted these improvement areas and has incorporated them into the Authority's ongoing governance improvement programme.

Significant governance issues

On the basis of the review of the sources of assurance and the opinions of both the external and internal auditors set out in this statement, the Authority has concluded that there are no significant governance issues to report.

Approved:

Ged Mirfin

Jon Charters

Steven Brown

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