

LANCASHIRE COMBINED FIRE AUTHORITY

AUDIT COMMITTEE

Meeting to be held on 23 June 2016

**ANNUAL GOVERNANCE STATEMENT 2015/16
(Appendices 1 and 2 refer)**

Contact for further information:-

Keith Mattinson - Director of Corporate Services – Telephone Number 01772 866804

Executive Summary

The Accounts and Audit Regulations 2003 require the Authority to publish an Annual Governance Statement along with the Authority's financial statements, following a review of the effectiveness of the internal controls in place. The report and the draft statement attached as appendix 2, set out the key elements of the Authority's governance framework, how these have been evaluated, the outcome of the assessment of effectiveness and any areas for improvement.

The overall conclusion of the Annual Governance Statement is that the system of internal controls is adequate, and that no significant governance issues have been identified.

Recommendation

The Committee is asked to approve the self-assessment and the the Annual Governance Statement based on this.

Background

The Authority is required to produce an Annual Governance Statement as part of the year end process for 2015/16.

The Audit Committee has previously approved a revised Code of Corporate Governance, in line with guidance produced jointly by CIPFA (Chartered Institute of Public Finance Accountants) and SOLACE (Society of Local Authority Chief Executives).

The Code defines corporate governance as the way an Authority ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

Included within the Code are the following core principles:-

1. Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area;
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles;
3. Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
5. Developing the capacity and capability of members and officers to be effective;
6. Engaging with local people and other stakeholders to ensure robust public accountability

In order to assess the effectiveness of the Authority's current arrangements a self-assessment has been undertaken by the Executive Board, considering the various sources of assurance which support the core principles outlined above, and the outcome of this is attached as appendix 1. One of the key elements of this is external assurance on our systems, and this is provided by our auditors, both of whom provide positive reports, and by the previous years Operational Assessment undertaken by Peer Review Team, which found 'nothing of significance' that would cause problems.

The review has highlighted a number of other areas for further improvements:-

- Deliver a new model for the assurance of service delivery activities and review our station audit process;
- Review our operational debrief process and incident monitoring to increase learning from incidents and improve operational performance;
- Review our appraisal system to better align individual tasking with organisational priorities and values;
- Review progress against the Equality and Diversity National framework.

The assessment also considers recommendations made as part of last year's Annual Governance Statement, and the following table updates on progress against these:-

Area for Improvement	Action to date	Completed/ On-going
Develop revised Risk Management Strategy	New Risk Management Strategy agreed and implemented, incorporating removal of Directorate Risk Registers to reduce bureaucracy and reference to Corporate Programme Board process which includes risk assessments for all major projects/reviews.	Completed

<p>The Services Information Management Strategy needs to be reviewed and updated to take account of changing requirements.</p>	<p>The Business process and Information programme Board has commissioned work on developing the underpinning policies and strategies needed to create the overarching Information Strategy:-</p> <ul style="list-style-type: none"> • Knowledge Management Strategy. • Records Management Strategy. • Information Governance Strategy. • System Integration Strategy. • User Support Strategy. <p>The Project has now completed work on an initial Information Strategy and a number of underpinning policies. There is a road map of work to be undertaken, and the initial phases of this work are now being undertaken.</p>	<p>On-going</p>
<p>Improvements highlighted in the Services Operational and Organisational Assessment Improvement Plans need to be completed.</p>	<p>All improvements have been completed.</p>	<p>Completed</p>
<p>The Workforce Development Strategy to be reviewed in light of changing age profile.</p>	<p>An updated Workforce Development Strategy was agreed in March. Incorporating updated retirement profiles.</p>	<p>Completed</p>
<p>Undertake a Governance review, including reviewing Terms of Reference for Committees, Standing Orders, Scheme of Delegation and Financial Regulations.</p>	<p>This work remains outstanding.</p>	<p>On-going</p>
<p>Undertake a new Audit Committee self-assessment based on latest CIPFA guidance (self-assessment undertaken in 2014/15 based on old guidance).</p>	<p>An updated self-assessment was agreed in March.</p>	<p>Completed</p>
<p>Review partnership engagement and opportunities.</p>	<p>Following work streams being progressed:-</p> <ul style="list-style-type: none"> • Safe and Well visits – identified 6 key areas that have been re-occurring themes to date; falls prevention, social isolation, diabetes, dementia, home security, healthy homes; 	<p>On-going</p>

	<ul style="list-style-type: none"> • Information sharing work stream to consider LPRES (Lancashire Patient Record Exchange System); meeting to be progressed with suppliers, internal stakeholders and with other services; • Fire Safety Model for social care work stream is progressing the development of a jointly owned action plan; • Volunteer work stream is progressing with the use of volunteers in delivering Fire Cadets; • Group Manager has been seconded within Lancashire Constabulary to consider opportunities for joint working. 	
Develop a more flexible way of ensuring the delivery of our business continuity arrangements.	<p>A new process has been agreed. All departments have completed Business Impact Assessments and are finalising recovery plans.</p> <p>The strategic plan is near completion with input outstanding from tactical plans.</p> <p>The tactical plan for the displacement of staff from SHQ is in development.</p>	On-going
Deliver services digitally to the public using web technology.	<p>A new Internet site has been introduced. The HFSC project has delivered services digitally to the public using web technology.</p> <p>Further work is required in order to agree other areas for development</p>	On-going
Develop a staff engagement strategy and improvement action plan.	<p>A strategy and action plan was produced and has delivered a number of items e.g. Staff barometer, development of a strategic narrative, introduction of revised annual service plan with programme of team briefs.</p> <p>Further work required to look at reviewing staff recognition and developing staff sounding boards</p>	On-going
Introduce a formal coaching and mentoring programme.	<p>Coaching & mentoring training rolling out to Supervisory Managers.</p> <p>Managers in development have mentors appointed.</p> <p>Coaching programme being developed.</p>	On-going

As part of our review, we are required to identify and disclose any significant internal control issues, of which there have been none, hence the overall conclusion is that the system of internal controls is adequate.

The above position is reflected in the Annual Governance Statement, attached as appendix 2.

Financial Implications

None

Human Resource Implications

None

Equality and Diversity Implications

None

Environmental Impact

None

Business Risk Implications

The Annual Governance Statement and the review of effectiveness of the Authority's arrangements for complying with its Code of Corporate Governance forms a key element of the Authority's overall assessment of how well it is managing its business risks.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact
Code of Corporate Governance	Mar 2016	Keith Mattinson, Director of Corporate Services
External Auditors Annual Audit Letter	Jan 2016	Keith Mattinson, Director of Corporate Services
Internal Audit Annual Report	May 2016	Keith Mattinson, Director of Corporate Services
Reason for inclusion in Part II, if appropriate:		

Lancashire Fire & Rescue Service Statement of assurance on governance arrangements, including risk management and internal control

Lancashire Fire & Rescue Service (LFRS) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

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

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.

As the Executive Board, we have responsibility for maintaining a system of sound internal control including risk management that supports the achievement of the Authority's and the Service's objectives, and for reviewing its effectiveness. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of these objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

However, the system of internal control is designed to manage rather than eliminate the risk of failure to achieve these objectives; it can therefore provide only reasonable and not absolute confidence that the risks of failure have been mitigated.

As Executive Directors, we are responsible for reviewing the effectiveness of the governance arrangements including system of internal control and risk management processes operating within the Service. The review of the effectiveness of the governance arrangements including the system of internal control has taken into account the following:

- The adequacy and effectiveness of management review processes;
- Outcomes from the formal risk assessment and evaluation (the risk register);
- Relevant self-assessments of key service areas within the Service;
- Relevant internal audit reports and the implementation of recommendations made by the Audit Service; and
- Outcomes from reviews by other bodies including external and statutory inspectorates and the external auditors.

Last year's assessment identified several areas for improvement and the current position regarding these is set out below:-

Area for Improvement	Action to date	Completed/ On-going
Develop revised Risk Management Strategy	New Risk Management Strategy agreed and implemented, incorporating removal of Directorate Risk Registers to reduce bureaucracy and reference to Corporate Programme Board process which includes a risk assessments for all major projects/reviews	Completed
The Services Information Management Strategy needs to be reviewed and updated to take account of changing requirements.	<p>The Business process and Information programme Board has commissioned work on developing the underpinning policies and strategies needed to create the overarching Information Strategy:-</p> <ul style="list-style-type: none"> • Knowledge Management Strategy. • Records Management Strategy. • Information Governance Strategy. • System Integration Strategy. • User Support Strategy. <p>The Project has now completed work on an initial Information Strategy and a number of underpinning policies. There is a road map of work to be undertaken, and the initial phases of this work are now being undertaken.</p>	On-going
Improvements highlighted in the Services Operational and Organisational Assessment Improvement Plans need to be completed.	All improvements have been completed.	Completed
The Workforce Development Strategy to be reviewed in light of changing age profile.	An updated Workforce Development Strategy was agreed in March. Incorporating updated retirement profiles.	Completed
Undertake a Governance review, including reviewing Terms of Reference for Committees, Standing Orders, Scheme of Delegation and Financial Regulations.	This work remains outstanding.	On-going
Undertake a new Audit Committee self-assessment based on latest CIPFA guidance (self-assessment undertaken in 2014/15 based on old guidance).	An updated self-assessment was agreed in March.	Completed

<p>Review partnership engagement and opportunities.</p>	<p>Following work streams being progressed:-</p> <ul style="list-style-type: none"> • Safe and Well visits – identified 6 key areas that have been re-occurring themes to date; falls prevention, social isolation, diabetes, dementia, home security, healthy homes. • Information sharing work stream to consider LPRES (Lancashire Patient Record Exchange System); meeting to be progressed with suppliers, internal stakeholders and with other services • Fire Safety Model for social care work stream is progressing the development of a jointly owned action plan • Volunteer work stream is progressing with the use of volunteers in delivering Fire Cadets. • Group Manager has been seconded within Lancs Police to consider opportunities for joint working. 	<p>On-going</p>
<p>Develop a more flexible way of ensuring the delivery of our business continuity arrangements.</p>	<p>A new process has been agreed. All departments have completed Business Impact Assessments and are finalising recovery plans. The strategic plan is near completion with input outstanding from tactical plans. The tactical plan for the displacement of staff from SHQ is in development.</p>	<p>On-going</p>
<p>Deliver services digitally to the public using web technology.</p>	<p>A new Internet site has been introduced. The HFSC project has delivered services digitally to the public using web technology. Further work is required in order to agree other areas for development</p>	<p>On-going</p>
<p>Develop a staff engagement strategy and improvement action plan.</p>	<p>A strategy and action plan was produced and has delivered a number of items e.g. Staff barometer, development of a strategic narrative, introduction of revised annual service plan with programme of team briefs. Further work required to look at reviewing staff recognition and developing staff sounding boards</p>	<p>On-going</p>
<p>Introduce a formal coaching and mentoring programme.</p>	<p>Coaching & mentoring training rolling out to Supervisory Managers. Managers in development have mentors appointed. Coaching programme being developed.</p>	<p>On-going</p>

This year's assessment is attached as appendix 2, setting out the key control areas within our governance arrangements, how we assess performance against these and what our evidence for this is. As can be seen our assessment is that we have good arrangements in the majority of cases, with the only adequate assessment relating to compliance with the data transparency code, where we meet requirements but do not publish all recommended data sets due to the time involved in doing so, and partnership arrangements, which we are continuing to review. We do not have any areas where we believe we do not have adequate controls in place.

However a number of further improvements have been identified as part of this year's assessments process, highlighted in bold on the attached self-assessment:-

- Deliver a new model for the assurance of service delivery activities and review our station audit process;
- Review our operational debrief process and incident monitoring to increase learning from incidents and improve operational performance;
- Review our appraisal system to better align individual tasking with organisational priorities and values;
- Review progress against the Equality and Diversity National framework.

We are satisfied that, except for the matters identified above, effective governance arrangements are in place, including a sound system of internal control throughout the year ended 31 March 2016 and which are on-going.

We propose to take steps to address the matters identified to enhance the adequacy of the Service's internal controls. We are satisfied that these steps will enhance the system of internal control and the overall governance arrangements and we will be monitoring their implementation and operation.

STATEMENT ON ANNUAL GOVERNANCE ARRANGEMENTS BY THE CHAIRMAN OF THE COMBINED FIRE AUTHORITY, THE TREASURER TO THE COMBINED FIRE AUTHORITY AND THE CHIEF FIRE OFFICER

Scope of Responsibility

Lancashire Combined Fire Authority (the Authority) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

The Authority has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. Included within the Code are the following core principles:-

1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area;
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles;
3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
5. Developing the capacity and capability of members and officers to be effective;
6. Engaging with local people and other stakeholders to ensure robust public 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 <http://www.lancsfirerescue.org.uk/sites/lancs/Pages/ContentDocuments/Code-of-Corporate-Governance.pdf>)

This statement explains how the Authority has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 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 2016 and up to the date of approval of the 2015/16 Statement of Accounts.

The Governance Framework

The Governance framework describes the key elements of the systems and processes that comprise the Authority's governance arrangements in accordance with the six principles of Corporate Governance included in our Code and include:-

- The Integrated Risk Management Plan sets out the strategic focus and medium term ambitions for the Authority including its objectives; how these will be achieved and measured; key projects and strategies to be developed out of the Plan and description of how we conduct our business. The current plan covering 2013-2017 was approved this year and can be found on our website at <http://www.lancsfirerescue.org.uk/sites/lancs/Pages/ContentDocuments/Integrated%20Risk%20Management%20Plan.pdf>
- Annual Service Plan, setting out Vision, Activities, Priorities and Values. The current plan covering 2016-17 was approved this year and can be found on our website at <http://www.lancsfirerescue.org.uk/sites/lancs/Pages/ContentDocuments/Annual-Service-Plan.pdf>
- A Communication Strategy and the Consultation Strategy;
- A comprehensive performance management framework, with the Performance Committee and Service Management Team receiving regular reports on performance against targets and any corrective action taken to address any variances. On an annual basis the Authority publishes an Annual Performance Report, setting out its overall performance against key performance indicators and including summary financial information;
- A Corporate Programme Board to provide oversight across 3 areas:-
 - Business Process Improvement Programme;
 - Workforce Development Programme;
 - Service Delivery Change Programme.

All major projects and reviews follow a similar format and report to Corporate Programme Board.

- 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 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 aspects 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.
- Clear management structure within the Service. The Executive Board, comprising the Chief Fire Officer (head of paid service), and 4 Executive Directors, is responsible for determining policy, monitoring performance and developing service plans in line with the Authority's overall strategic objectives and is assisted in this process by the Service Management Team;
 - The Combination Scheme Order, Standing Orders, Terms of Reference of individual Committees, Scheme of Delegation and Financial Regulations establish overall arrangements for policy setting and decision making and the delegation of powers to members and officers;
 - Comprehensive suite of strategies and policies in place and regularly reviewed;
 - Codes of Conduct for members and officers, and member/officer protocol, that set out clear expectations for standards of behaviour;
 - Both the Monitoring Officer and Treasurer are involved in the Authority's decision making process, and ensure compliance with established policies, procedures, laws and regulations; All Authority reports are considered for human resource, financial, business risk, environmental and equality and diversity implications in order to identify key issues;
 - The Treasurer's role and financial management arrangements align with requirements set out in CIPFAs Statement on the Role of the Chief Financial Officer in Local Government (2010);
 - Well publicised arrangements for dealing with complaints and whistle-blowing, 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 Partnership Protocol which sets out arrangements for entering into partnerships;
 - 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 & development needs of both members and officers, including appropriate appraisal system. Sufficient budget to meet relevant training requirements;
 - Comprehensive service review process in place, comprising external views in the form of Peer Assessment/Operational Assurance 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.

Review of effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Auditors annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

A statement of assurance has been discussed and approved by the Executive Board as to the effectiveness of the governance arrangements for which it is responsible, including the system of internal control. The statement of assurance covers all the principles set out in the Authority's Code of Corporate Governance. The statement of assurance reveals no areas of weakness in the Authority's corporate governance arrangements; the arrangements are in all cases at least adequate and in the majority of areas good.

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

- The introduction of the Annual Service Plan has provided greater clarity, both internally and externally, on our four priorities set out in the IRMP 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.
- The introduction of the Corporate Programme Board arrangements has driven further improvements in terms of delivering our objectives and managing projects and reviews.
- Revised Risk Management arrangements have been implemented, focusing more on key risks and the link to Corporate Programme Boards and major projects.
- Business Continuity arrangements have been tested throughout the year, due to the major flooding that occurred in December, an area currently being updated to provide a more flexible response.
- An updated Workforce Development Strategy has been agreed.
- The Audit Committee has undertaken a self-assessment exercise to ensure it discharges its requirements in an effective manner. This did not identify any significant weaknesses.
- Internal Audit services were provided by Lancashire County Council, who complies with CIPFA's Code of Internal Audit Practice. The service is designed to give assurance that the Authority maintains adequate systems of internal control and to make recommendations on ways to enhance these where felt necessary.

As part of the 2015/16 audit plan the auditors undertook various reviews and gave the overall opinion that they can provide substantial assurance over the internal control environment, governance and risk management arrangements for 2015/16, and that there is a generally a sound system of internal control, adequately designed to meet the objectives of Lancashire Combined Fire Authority and Lancashire Fire and Rescue Service and controls were generally applied consistently.

- Grant Thornton provides an external audit service to the Authority, and as such the effectiveness of the system of internal controls is also informed by their work. The latest Annual Audit letter did not identify any significant weaknesses in internal control arrangement and provided the following audit conclusions in relation to 2014/15:

- an unqualified opinion on the accounts which give a true and fair view of the Authority's financial position as at 31 March 2015 and its income and expenditure for the year;
- an unqualified conclusion in respect of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources;
- an unqualified short form assurance statement on the Authority's Whole of Government Accounts submission.

Last year's Annual Governance Statement identified the following areas for improvement:-

Area for Improvement	Action to date	Completed/ On-going
Develop revised Risk Management Strategy.	New Risk Management Strategy agreed and implemented, incorporating removal of Directorate Risk Registers to reduce bureaucracy and reference to Corporate Programme Board process which includes a risk assessments for all major projects/reviews.	Completed
The Services Information Management Strategy needs to be reviewed and updated to take account of changing requirements.	<p>The Business process and Information programme Board has commissioned work on developing the underpinning policies and strategies needed to create the overarching Information Strategy:-</p> <ul style="list-style-type: none"> • Knowledge Management Strategy. • Records Management Strategy. • Information Governance Strategy. • System Integration Strategy. • User Support Strategy. <p>The Project has now completed work on an initial Information Strategy and a number of underpinning policies. There is a road map of work to be undertaken, and the initial phases of this work are now being undertaken</p>	On-going
Improvements highlighted in the Services Operational and Organisational Assessment Improvement Plans need to be completed.	All improvements have been completed.	Completed
The Workforce Development Strategy to be reviewed in light of changing age profile.	An updated Workforce Development Strategy was agreed in March. Incorporating updated retirement profiles.	Completed
Undertake a Governance review, including reviewing Terms of Reference for Committees, Standing Orders, Scheme of Delegation and Financial Regulations.	This work remains outstanding.	On-going

Undertake a new Audit Committee self-assessment based on latest CIPFA guidance (self-assessment undertaken in 2014/15 based on old guidance).	An updated self-assessment was agreed in March.	Completed
Review partnership engagement and opportunities.	<p>Following work streams being progressed:-</p> <ul style="list-style-type: none"> • Safe and Well visits – identified 6 key areas that have been re-occurring themes to date; falls prevention, social isolation, diabetes, dementia, home security, healthy homes. • Information sharing work stream to consider LPRES (Lancashire Patient Record Exchange System); meeting to be progressed with suppliers, internal stakeholders and with other services • Fire Safety Model for social care work stream is progressing the development of a jointly owned action plan • Volunteer work stream is progressing with the use of volunteers in delivering Fire Cadets. • Group Manager has been seconded within Lancashire Constabulary to consider opportunities for joint working. 	On-going
Develop a more flexible way of ensuring the delivery of our business continuity arrangements.	<p>A new process has been agreed. All departments have completed Business Impact Assessments and are finalising recovery plans.</p> <p>The strategic plan is near completion with input outstanding from tactical plans.</p> <p>The tactical plan for the displacement of staff from SHQ is in development.</p>	On-going
Deliver services digitally to the public using web technology.	<p>A new Internet site has been introduced. The HFSC project has delivered services digitally to the public using web technology.</p> <p>Further work is required in order to agree other areas for development</p>	On-going
Develop a staff engagement strategy and improvement action plan.	<p>A strategy and action plan was produced and has delivered a number of items e.g. Staff barometer, development of a strategic narrative, introduction of revised annual service plan with programme of team briefs.</p> <p>Further work required to look at reviewing staff recognition and developing staff sounding boards.</p>	On-going

Introduce a formal coaching and mentoring programme.	Coaching & mentoring training rolling out to Supervisory Managers Managers in development have mentors appointed. Coaching programme being developed.	On-going
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We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant governance issues

On the basis of the review of the sources of assurance set out in this statement, we are satisfied that Lancashire Combined Fire Authority and Lancashire Fire and Rescue Service has in place a satisfactory system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

Whilst no significant governance issues were identified, the review has highlighted a number of areas for further improvement, as well as the outstanding recommendation from last year’s statement, referred to earlier:

- Deliver a new model for the assurance of service delivery activities and review our station audit process;
- Review our operational debrief process and incident monitoring to increase learning form incidents and improve operational performance;
- Review our appraisal system to better align individual tasking with organisational priorities and values;
- Review progress against the Equality and Diversity National framework.

We propose over the coming year to take steps to address the above matter 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:

County Councillor F DeMolfetta,
Chairman, Lancashire
Combined Fire Authority
29 June 2016

C Kenny,
Chief Fire Officer, Lancashire
Fire and Rescue Service
29 June 2016

K Mattinson CPFA,
Treasurer, Lancashire
Combined Fire Authority
29 June 2016