

## **Consultation Exercise: Guidance on Statements of Assurance for Fire and Rescue Authorities in England**

### **Report of Chief Fire Officer**

For further information about this report please contact Paul Raymond, Chief Fire Officer, on 01743 260201 or Steve Worrall, Assistant Chief Fire Officer, on 01743 260204.

### **1 Purpose of Report**

This report brings to Members' attention the recently issued consultation document regarding the *Guidance on Statements of Assurance for Fire and Rescue Authorities in England*. Comments are sought on the proposals set out within the consultation. The report also offers a response for the Committee's consideration (acting on behalf of the Fire Authority).

### **2 Recommendation**

Members are requested to consider the proposed consultation responses (at Appendix B) and, if agreed, instruct officers to respond accordingly.

### **3 Background**

The consultation document (provided at Appendix A) reiterates the Fire and Rescue Service National Framework requirement for all fire and rescue authorities to provide annual assurance. The assurance, to be provided via a Statement of Assurance (SoA), is to address financial, governance and operational matters and show how the Fire Authority has had due regard to the requirements included in the Framework and the expectations set out in the Authority's own integrated risk management plan.

The Fire and Rescue Minister has indicated that the SoA should be seen as "a *proportionate requirement for an important public service with no specific inspectorate*".

However, the Minister is clear that the SoA should not duplicate existing arrangements. Therefore, in producing the SoA this Authority may choose to consider how it can be aligned with other regular publications (such as the Annual Report, Statement of Accounts, Annual Governance Statement etc), perhaps providing a link to appropriate documents or other relevant material, in order to avoid duplication.

## **4 Consultation Questions**

The Fire Authority is invited to respond to the following three questions:

- a) **Question 1**  
Does the draft guidance set out sufficiently clearly what is expected of fire and rescue authorities to complete their statements of assurance?
- b) **Question 2**  
If not how could it be improved?
- c) **Question 3**  
Specifically, what would you change and what would you add?

Officers have reviewed the proposals and prepared a response for consideration by Members (see Appendix B). Responses are required by 15 November 2012.

## **5 Financial Implications**

There are no direct financial implications arising from this report.

## **6 Legal Comment**

Section 26 of The Fire and Rescue Services Act 2004 requires a Fire and Rescue Authority to submit to the Secretary of State any report or return with respect to the Authority's function.

## **7 Equality Impact Assessment**

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Human resources 5 Part 2) and have determined that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An initial Equality Impact Assessment has not, therefore, been completed.

## **8 Appendices**

### **Appendix A**

Guidance on Statements of Assurance for Fire and Rescue Authorities in England

### **Appendix B**

Proposed response to consultation questions

## **9 Background Papers**

There are no background papers associated with this report.



Department for  
Communities and  
Local Government

Appendix A to report 12 on  
Consultation Exercise:  
Guidance on Statements of Assurance for  
Fire and Rescue Authorities in England  
Shropshire and Wrekin Fire and Rescue Authority  
Strategy and Resources Committee  
15 November 2012

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

Consultation

© Crown copyright, 2012

*Copyright in the typographical arrangement rests with the Crown.*

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or e-mail: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

This document/publication is also available on our website at [www.communities.gov.uk](http://www.communities.gov.uk)

Any enquiries regarding this document/publication should be sent to us at:

Department for Communities and Local Government  
Eland House  
Bressenden Place  
London  
SW1E 5DU  
Telephone: 030 3444 0000

September 2012

ISBN: 978-1-4098- 3630- 8

# Contents

Ministerial foreword.....	4
Consultation questions.....	5
Introduction .....	6
Context .....	6
Assessment and ownership .....	7
Content of the annual statement of assurance	
<i>Financial</i> .....	7
<i>Governance</i> .....	8
<i>Operational</i> .....	10
<i>Framework requirements</i> .....	12

# 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.

---

<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.

---

<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.

---

<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

---

<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

---

<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.

## **Guidance on Statements of Assurance for Fire and Rescue Authorities in England**

### **Shropshire and Wrekin Fire and Rescue Authority (SWFRA) Proposed Response**

#### **Question 1**

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

#### **SWFRA Response**

SWFRA fully supports the concept of providing accurate, timely and meaningful information to both local communities and Government, information that ideally may be summarised in one single document. The Authority believes that the most informative and appropriate means to achieve such communication with stakeholders is via an Annual Report, as is commonplace within the private sector and many charities.

It may appear as an issue of semantics, but the adoption of the term 'Annual Report', as opposed to 'Annual Statement of Assurance,' would be more easily understood and readily identifiable by the public at large. An Annual Statement of Assurance should not be in addition to an Annual Report (where already used).

More importantly the proposals for Annual Statements of Assurance are somewhat confusing, as they endeavour to encompass too broad a range of information, information that, in some instances, a fire and rescue authority is unqualified to provide assurance upon. Whilst fire and rescue authorities are legally obliged (Fire and Rescue Service Act 2004, Section 26) to provide the Secretary of State with reports and returns, it is the responsibility of the Secretary of State to report upon performance to Parliament (Section 25). The Fire and Rescue Service Act 2004 makes clear that it is the role of appointed inspectors (Section 28) to obtain information regarding how fire and rescue authorities are discharging their functions. It could, therefore, be construed that it is the role of appointed inspectors to qualify the degree of *assurance*, which a fire and rescue authority is achieving in respect of its statutory functions and not the authority itself.

**Question 2**

If not how could it be improved?

**SWFRA Response**

SWFRA proposes the publication, by fire and rescue authorities, of an Annual Report. It is recommended that the Annual Report follows a standard template (in respect of content) and includes the comments of an independent appointed auditor / inspector (as is the case in the private sector) The observations of the auditor / inspector would thereafter support the Secretary of State in preparing a qualified Annual Statement of Assurance to Parliament.

The Annual Report should act as a summary of the key areas proposed within the consultation, but set out in a way that is meaningful to the local community and void of the jargon normally presented to auditors / inspectors.

**Question 3**

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

**SWFRA Response**

The proposed changes are set out the above responses to questions 1 and 2.