

Annual Governance Statement

Position as at 31st March 2022 including plans for the financial year 2022/23.

During 2018/19 North Yorkshire Fire and Rescue Authority (NYFRA) was abolished and replaced by the North Yorkshire Police, Fire and Crime Commissioner Fire and Rescue Authority (PFCC FRA). This annual governance statement reflects the third full year of the new governance framework put in place for the PFCC FRA for the year ended 31 March 2022 including plans for the financial year 2022/23.

1. Scope of Responsibility

- 1.1 The PFCC FRA is responsible for ensuring 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. The PFCC FRA also has a duty to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the PFCC FRA is also responsible for putting in place proper arrangements for the governance of its affairs and facilitating the exercise of its functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk. In exercising this responsibility, the PFCC FRA places reliance on the Chief Fire Officer to support the governance and risk management processes.
- 1.3 The PFCC FRA has an overarching code of corporate governance in place to ensure the governance arrangements are easily accessible with all of the key documents captured in one place. The code is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government and while under constant review to ensure it meets the needs of the organisation is it the subject of formal review and publication annually.
- 1.4 Copies of the Code of Corporate Governance are available on our [website](#).
- 1.5 This statement explains how the PFCC FRA has complied with the code and also meets the requirements of the Accounts and Audit Regulations in relation to the publication of a statement on internal control.

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises both the culture and value, and systems and processes, by which the PFCC FRA is directed and controlled and their activity through which it accounts to and engages with the community. It enables the PFCC FRA to monitor the achievement of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate, cost effective services, including achieving value for money.
- 2.2 The [Fire and Rescue Plan 2019-21](#) was in place throughout the 2021/22 financial year which set out the strategic vision, priorities and objectives for North Yorkshire Fire and Rescue Service over that two year period for how it would better respond to the needs of the communities of North Yorkshire. The plan set out the following 4 priorities:
- Caring about the vulnerable
 - Ambitious collaboration
 - Realising our potential
 - Effective engagement
- 2.3 It was expected that the 2019-21 Plan would have been replaced during 2021/22 however the original PFCC election was delayed by Covid-19. The subsequent winner of the election in May 2021 then resigned in October 2021 which meant that the work on a new Fire and Rescue Plan had to be paused until the by-election in November 2021. The work has subsequently been concluded and a new [Fire and Rescue Plan 2022-25](#) is now in place.
- 2.4 The Service has also continued to embed its new Values which were launched during 2020/21, to align with the strategic vision, which are as follows:
- PEOPLE - We exist to serve the public - we put people first
RESULTS - We achieve positive results
INCLUSION -We embrace inclusion
CREATIVITY - We encourage and promote creativity
LEARNING - We never stop learning
- 2.5 These overarching priorities and Values help shape the governance framework of the Fire Service.
- 2.6 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the PFCC FRA'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 effectively, efficiently and economically.
- 2.7 A governance framework has been in place at the PFCC FRA for the year ended 31 March 2022 and up to the date of the approval of the financial statements.

3. The Governance Framework

- 3.1 In April 2016 CIPFA published an updated version of their "Delivering Good Governance in Local Government: Framework". The 2016 Framework sets out seven principles of good governance which are taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) ('the International Framework') and interprets them for local government.
- 3.2 The seven principles (A to G) are considered below and have been utilised in our review of governance and in developing this AGS.

4 PRINCIPLE A: BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW

The PFCC FRA is accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- The Code of Corporate Governance requires all parties to abide by the 7 Nolan Principles, these will be central to the behaviour of everyone in the organisation. It also highlights the expectation that the relationship between all parties will be based on the principles of goodwill, professionalism, openness and trust
- The Financial Management Code of Practice requires the PFCC FRA to ensure that the good governance principles are embedded within the way that the organisation operates
- The PFCC FRA has set out their values in the respective corporate and strategic plans

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

- Behaving with integrity
- Demonstrating strong commitment to ethical values
- Respecting the rule of law

The review recognised the Service has again reviewed and refreshed its overall Code of Corporate Governance during the year to ensure that it was both fit for purpose and also continued to reflect the changes and learning from the relatively new Governance arrangement that the organisation has transitioned to over the last few years.

PRINCIPLE B: ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Public Services, including the Fire and Rescue Service, are run for the public good. Organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- The PFCC FRA is accountable to local people and draws on this mandate to set and shape the strategic objectives for the North Yorkshire area in consultation with the Chief Fire Officer.
- The Police, Fire and Crime Plan will clearly set out what the strategic direction and objectives are to be and how they will be delivered.
- To complement this, the PFCC FRA's communication and engagement strategies set out how local people will be involved with the PFCC FRA to ensure they are part of decision making, accountability and future direction. This will be a mixture of being part of the yearly planning arrangements and becoming involved in issues of interest to local people as they emerge.
- The PFCC FRA has developed arrangements for effective engagement with key stakeholders, ensuring that where appropriate they remain closely involved in decision making, accountability and future direction
- The strength of the PFCC FRA's working relationship with the Police, Fire and Crime Panel, constituent local authorities and other relevant partners.

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

- Openness
- Engaging comprehensively with institutional stakeholders
- Engaging stakeholders effectively, including individual citizens and service users

This area continues to be a key priority for PFCC with 11 separate live broadcast [Public Accountability Meetings](#) taking place during 2021/22, which allowed the PFCC to hold the Fire Service to account while providing the opportunity for members of the public to email questions in advance of the meeting and/or to use Twitter during the meeting to ask questions. The review reflected that this was a significant strength of the organisation during a heightened time of risk and interest for the public in relation to the pandemic.

Building on the strength of the Fire and Rescue Plan 2019-21, where the PFCC considered the views of 1,000 members of the public, as well as local businesses, partners and the Fire and Rescue Service themselves, as to how the Service should evolve, the PFCC enhanced this even further with the development of the 2022-25 Fire and Rescue Plan with wider engagement and consultation. The new plan is based on engaging with over 3,500 people within York and North Yorkshire, and over 2,000 people responded to the survey which helped inform this new plan.

This significant engagement with the public around the Fire and Rescue plan is also supplemented by separate engagement and consultation with the public in relation to the annual Precept proposal. The results of the consultation with the public of North Yorkshire in relation to the level of Fire precept for 2022/23, which had 2,513 responses, resulted in 71% supporting at least the increase proposed by the PFCC.

As mentioned in the last Annual Governance Statement it was expected that this enhanced level of consultation and engagement would be a key component in relation to the development of the Risk and Resource Model. The Risk and Resource Model sets out the risk in our county and city and how the Fire Service we will deploy their resources to address and reduce that risk

This work was scheduled to complete in time for the revised PFCC elections so that they could inform the future Fire and Rescue Plan. This work was delayed during 2020/21 as a result of the pandemic and subsequently was not finalised during 2021/22 either.

The Risk and Resource model will 'ensure that our firefighters and staff are in the right place at the right time to deliver the right and most appropriate service, with the right equipment and skills in the best possible way.' While the work and [public consultation](#) is now underway the delays and their impact do need to be reflected on elsewhere within this Annual Governance Statement.

PRINCIPLE C: DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS

The long term nature and impact of many of the PFCC FRA's responsibilities mean that they should seek to define and plan outcomes and that these should be sustainable. Decisions should contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- The FRS Act 2004 requires the PFCC FRA to issue a Fire and Rescue Plan and the Fire and Rescue Statement, which defines the fire and rescue objectives (outcomes) and the strategic direction for the Fire Service.
- The Fire and Rescue Service will have a corporate/strategic plan which sets out how it will operate to support achievement of these outcomes.
- Collaboration agreements will set out those areas of business to be undertaken jointly with other fire and rescue authorities, local policing bodies and other emergency services, in order to reduce cost, increase capability, and/or increase resilience to protect local people.
- A medium term financial strategy will be developed and thereafter reviewed regularly to support delivery of these plans. Where necessary protocols will ensure proper arrangements for financial management

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

- Defining outcomes
- Sustainable economic, social and environmental benefits

The review recognised that significant work had continued throughout 2021/22 in relation to the Enable Collaboration with the Police Force in North Yorkshire. It is recognised that with the exception of the enableNY Finance function, the remaining enableNY functions had completed the redesign and implementation of new structures by 1st July 2021 – which is considered as the start date of enableNY with the vast majority of support activity being conducted within the new enableNY structures.

This new way of working is however not fully embedded and it will be vital that this is completed during 2022/23 to ensure that all parts of the organisation work seamlessly and efficiently and effectively to deliver against the Ambitions of the Service.

The review also recognised that while the arrangements and management of the finances of the organisation continued to work well that the overall financial position of the organisation had been negatively impacted, firstly from the pandemic and then secondly from the significant inflationary pressures that are feeding into the costs of the Service. While the current medium term financial plan balances, there is a risk that cost pressures, both pay and non-pay, result in any proposed and agreed efficiencies from the Risk and Resource Model being required to meet these additional costs as opposed to the current plan, which would see these re-invested in service improvements.

The Service will need to consider alternative options, and scenario plan, during 2022/23 and beyond to reflect the changing financial landscape.

The review once again reflected on the outcomes of the Internal Audit work in relation to Procurement within the Service and the commentary from Internal Audit which stated 'Significant gaps, weaknesses or non-compliance were identified. Internal Audit highlighted improvements were required for some of the Service's procurement policies and procedures. There had been an inconsistent application of contract regulations and procurement rules and some spending on goods and services in excess of thresholds had not followed the relevant procurement guidance on written quotes or tendering. The review did not have sufficient confidence that this area had progressed as required during 2021/22 and therefore re-affirms the recommendation and need for significant focus during 2022/23 to address the issues raised.

PRINCIPLE D: DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES

Local Government, including the Fire and Rescue Service, achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- The PFCC FRA will maintain a medium term financial strategy which will form the basis of the annual budgets, and provide a framework for evaluating future proposals
- There will be a comprehensive process of analysis and evaluation of plans, which will normally include option appraisal, techniques for assessing the impact of alternative approaches on the service's outcomes, and benefits realisation
- Processes will be in place to monitor efficiency and value for money, including benchmarking of performance and costs
- The PFCC FRA should maintain effective workforce development and asset management plans (eg Estate; ICT)

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

- Determining interventions
- Planning interventions
- Optimising achievement of intended outcomes

The review recognised the challenges of undertaking some work on Estate improvements during 2021/22 given the restrictions in place and the reduced accessibility to the buildings during this time, as well as the restraints on resources within the construction industry, however the importance of delivering the improvements to the Fire Estate to ensure better access to all are essential and need to be given the required focus in 2022/23 to ensure this work is complete.

The review welcomes the development of a Joint Strategic Asset Management Plan with the Police Force with the aim to produce a high-level plan to establish a strategic road map for estates investment across both Fire and Police. The review thinks this concept could be extended into Fleet and possibly ICT.

PRINCIPLE E: DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

The PFCC FRA need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A public organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Both the individuals involved and the environment in which the Fire and Rescue Service operates will change over time, and there will be a continuous need to develop its capacity as well as the skills and experience of the leadership and individual staff members. Leadership in the Fire and Rescue service is strengthened by the participation of people with many different types of background, reflecting the structure and diversity of communities.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- The 'People' and personal development strategies of the Fire and Rescue Service set the climate for continued development of individuals. The respective performance development review processes will ensure that these strategies are turned into reality for members of staff.

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

- Developing the entity's capacity
- Developing the capability of the entity's leadership and other individuals

The 2020/21 review recognised the significant work that has gone into developing a comprehensive Inclusive Leadership Programme, along with Equality, Diversity and Inclusion (EDI) Training and the proposed implementation of a Coaching and Mentoring academy. Progress around EDI has however been slow with the development of a revised Draft Strategy only produced in December 2021 which proposes that two groups are formed, comprising of an EDI strategic board and an EDI practitioner group.

It is recognised that while there has been good work undertaken at the tactical and delivery level, some of the more strategic issues including measurement of outcomes and performance, were intended to be prioritised and reported through both Tactical Leadership Team and Strategic Leadership Team. The previous ways of working have not proved to be as effective as intended, with limited focus upon strategic direction and intent, resulting in limited progress in this area.

This is a key area for the organisation in terms of this principle and therefore an area for continued focus during 2022/23 to ensure plans turn into actions.

The review welcomed the proposal to create and embed a strengths-based approach for assessment and development within NYFRS. The aim of the framework would be to articulate the strengths required for high performance across our roles within NYFRS not just now, but in the future. Based on the strengths-levelled framework, the intention would be to create an assessment process designed specifically to measure these key strengths.

Both this new development and many others within the 'People' area have the potential to really drive significant improvements in this principle across the Fire Service however there is a gap in terms of being able to demonstrate outcomes and improvements from the 'People' developments. The review would like to see improvements in this area for 2022/23.

As with 2020/21, both 2021/22 and the early months of 2022/23 continues to see significant changes to the Senior Leadership Team within the Fire Service. The regular turnover of people at this level continues to have an impact on the skills and leadership within the most senior uniformed roles within the Service with the potential for further acting arrangements required. It will therefore be vital that the appropriate opportunities are put in place to help develop the leaders to thrive in these roles.

PRINCIPLE F: MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

Public bodies need to ensure that the organisation's and governance structures that they oversee have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management, business continuity and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- The decision making protocol sets out principles for how decisions will be taken by the PFCC FRA and the standards to be adopted
- It requires a combined forward plan of decisions, which brings together the business planning cycles for the Police, Fire and Crime plan, the Fire and Rescue Plan and the Integrated Risk Management Plan. This will ensure proper governance by bringing together the right information at the right time
- The scheme of governance highlights the parameters for decision making, including consents, financial limits for specific matters, and standing orders for contracts
- The risk management strategy establishes how risk is embedded throughout the various elements of corporate governance of the organisation
- The Communications and Engagement strategies demonstrate how the PFCC FRA will ensure that local people are involved in decision making
- The information publication scheme ensures that information relating to decisions will be made readily available to local people, with those of greater public interest receiving the highest level of transparency, except where operational or legal constraints exist
- The forward plan of decisions combined with open and transparent information schemes enables the Police, Fire and Crime Panel to be properly sighted on the decisions of the PFCC FRA.

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

- Managing risk
- Managing performance
- Robust internal control
- Managing data
- Strong public financial management

As mentioned earlier within this document, and also in last year's Annual Governance Statement, it was expected that the development of the Risk and Resource Model, which will 'ensure that our firefighters and staff are in the right place at the right time to deliver the right and most appropriate service, with the right equipment and skills in the best possible way' would have been completed to inform the future Fire and Rescue Plan.

Given that this didn't happen, despite the delays to the PFCC election, and how significant this work is to the way that the vast majority of the services are delivered by the Fire Service then it is considered that this creates a significant governance issue for the organisation.

The work has a significant impact on many aspects of this principle and while the work received a significant level of focus during 2021/22 it needed to be extended, beyond the end of March 2022, to ultimately complete the work. It is vital that this work is fully completed in 2022/23 and the review suggest that given the impact of this work that it is reflected as a Significant Governance Issue within this review.

In addition to this, while the review recognises that a lot of work has progressed to develop the Corporate Risk Register much of that focus have been on a development of the framework and the establishment of the new risks. The review would like to see greater focus on the active use of the risk registers within the Service and the management of the risks contained within it.

PRINCIPLE G: IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

THE CORPORATE PROCESSES WHICH UNDERPIN THIS COMMITMENT

- Legislation sets out the functions of the PFCC FRA.
- The PFCC FRA is required to appoint a Chief Fire Officer, Monitoring Officer and Chief Financial Officer
- The Financial Management Code of Practice sets out the responsibilities of the Chief Financial Officer/s151 Officer for the PFCC FRA.
- Internal audit, reflecting published guidance on standards
- The Scheme of corporate governance highlights the parameters for key roles in the organisation including delegations from the PFCC FRA, financial regulations and standing orders
- Employees of the PFCC FRA will operate within
 - PFCC FRA policies and procedures
 - The corporate governance framework
 - Disciplinary regulations
 - Codes of conduct

- An independent Audit Committee operates within the CIPFA guidance and in accordance with the Financial Management Code of Practice

BEHAVIOURS AND OUTCOMES THAT DEMONSTRATE GOOD GOVERNANCE IN PRACTICE

- Implementing good practice in transparency
- Implementing good practices in reporting
- Assurance and effective accountability

The review didn't highlight any areas within this principle that were worthy of note within the Annual Governance Statement.

5 Review of effectiveness

5.1 The PFCC FRA has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including:-

- The system of internal audit
- The system of internal control

5.2 The governance framework within the PFCC FRA has been reviewed, and continues to be reviewed for its effectiveness by the PFCC FRA's Chief Finance Officer.

5.3 The roles and processes applied in maintaining and reviewing the effectiveness of the governance framework are outlined below: -

PFCC

5.4 The PFCC has a statutory duty and electoral mandate to ensure an efficient and effective fire and rescue service. The review and monitoring of the governance framework is the responsibility of the independent audit committee which will discuss the majority of governance issues, referring reports to the PFCC when it is felt necessary. Given that the ultimate responsibility for Governance rests with the PFCC the Audit Committee requires a Member of the management team to attend each Audit Committee meeting. This provides the Committee with a direct opportunity to engage at the right level in the organisation but also develop strong working relationships. In addition to this and to further strengthen their role the Audit Committee has direct access to both the PFCC and Chief Fire Officer if and when required.

Independent Audit Committee

5.5 The Independent Audit Committee receives regular reports on governance issues. This includes the review of the Annual Governance Statement for publication with the Annual Statement of Accounts and update reports on progress made in addressing governance issues included in it.

5.6 Chaired independently, the role of the Committee, in part, is to provide independent assurance on the adequacy and effectiveness of the internal control environment and risk management framework, advising the PFCC FRA according to good governance principles and overseeing governance and monitoring of governance within the organisation.

Head of Internal Audit

5.7 In maintaining and reviewing the governance framework, the PFCC's Chief Finance Officer places reliance on the work undertaken by Internal Audit and in particular, the Head of Internal Audits independent opinion on the adequacy and effectiveness of the system of internal control.

5.8 For 2021/22 'The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating at the Service is that it provides Reasonable Assurance. No reliance was placed on the work of other assurance providers in reaching this opinion.'

- 5.9 In giving this opinion attention is drawn to the previous findings on Procurement which were identified during the 2020/21 financial year and should be considered for possible inclusion in the 2021/22 Annual Governance Statement too.
- 5.10 Included within the Head of Internal Audit Opinion is the following:
- 5.11 In last year's Head of Internal Audit opinion report we highlighted improvements were required for some of the Service's procurement policies and procedures. There had been an inconsistent application of contract regulations and procurement rules and some spending on goods and services in excess of thresholds had not followed the relevant procurement guidance on written quotes or tendering.
- 5.12 A final limited assurance report was issued in December 2020 with deadlines for completed actions in 2021. In July 2021, the Service's Head of Assets provided this committee with an update on the action plan for addressing the procurement audit findings. The Head of Assets confirmed that 'Veritau are providing on-going monitoring of actions.... and have agreed in principle to a follow up audit. Current thinking is that this should take place around six months after the additional resource commences activity to allow time for some progress to be made, but still leave enough time to advise if the direction of travel is not suitable'.
- 5.13 In February 2022 we met with the Head of Assets who provided an update on progress. Some work had been done, for example new appointments to procurement roles. The Head of Enable, the s151 officer and others are also involved in developing the wider Service arrangements on procurement. However at this time the actions, as included in the original December 2020 audit report, have not been completed.
- 5.14 The s151 officer is aware of the extent of progress, and is considering the continued inclusion of this area within the Annual Governance Statement. We agreed with him that no further internal audit work be undertaken in 2021/22. We also noted that an Internal Audit procurement review is planned for July 2022.

External Audit

- 5.15 External Audit are an essential element in ensuring public accountability and stewardship of public resources and the corporate governance of the PFCC FRA's services, with their annual letter particularly providing comment on financial aspects of corporate governance, performance management and other reports.

HMICFRS

- 5.16 In addition to the above other review/assurance mechanisms such as Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) independently assesses the effectiveness and efficiency of police forces and fire & rescue services – in the public interest.
- 5.17 The Service has undergone an inspection process which commenced on the 21st of March 2022 and concluded on the 30th May 2022. As the formal publication of this inspection has not been finalised as of yet this Governance Statement does not reflect any of the initial findings of that report however these will be considered in next year's report.

6 Evaluation

- 6.1 Following this review, governance and decision making arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

7 Governance Issues

Action Plan for 2022/23 to address issues raised:

Significant Governance Issues	Action	Owner	Target Implementation Date
MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT	It was expected that the development of the Risk and Resource Model, which will 'ensure that our firefighters and staff are in the right place at the right time to deliver the right and most appropriate service, with the right equipment and skills in the best possible way' would have been completed to inform the future Fire and Rescue Plan. Given that this didn't happen, and how significant this work is to the way that the vast majority of the services are delivered by the Fire Service, then it is considered that this creates a significant governance issue for the organisation. It is vital that this work is fully completed in 2022/23.	Chief Fire Officer	COMPLETED - 30th September 2022
DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS	The outcomes of the Internal Audit work in relation to Procurement within the Service and the commentary from Internal Audit which stated 'Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Limited Assurance'. There is clearly a need for significant focus during 2022/23 to address the issues and actions raised.	PFCC Chief Finance Officer	31st March 2023
Areas which require further/continued focus	Action	Owner	Target Implementation Date
DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS	The review recognised that significant work had continued throughout 2021/22 in relation to the Enable Collaboration with the Police Force in North Yorkshire however this new way of working is not fully embedded and it will be vital that this is completed during 2022/23 to ensure that all parts of the organisation work seamlessly and efficiently and effectively to deliver against the Ambitions of the Service	MD of Enable	31st March 2023
DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES	Ensure that the appropriate Governance and oversight is in place to deliver the improvements to the Fire Estate to ensure better access and facilities for all employees.	MD of Enable	31st March 2023
DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT	The 2020/21 review recognised the significant work that has gone into developing a comprehensive Inclusive Leadership Programme, along with Equality, Diversity and Inclusion (EDI) Training and the proposed implementation of a Coaching and Mentoring academy. Progress around EDI has however been slow with the development of a revised Draft Strategy only produced in December 2021 which proposes that two groups are formed, comprising of an EDI strategic board and an EDI practitioner group. This is a key area for the organisation in terms of this principle and therefore an area for continued focus during 2022/23 to ensure plans turn into actions.	Chief Fire Officer	31st March 2023
DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT	As with 2020/21, both 2021/22 and the early months of 2022/23 continues to see significant changes to the Senior Leadership Team within the Fire Service. The regular turnover of people at this level continues to have an impact on the skills and leadership within the most senior uniformed roles within the Service with the potential for further acting arrangements required. It will therefore be vital that the appropriate opportunities are put in place to help develop the leaders to thrive in these roles	Chief Fire Officer	31st March 2023
MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT	Greater focus is to be given to the active use of the risk registers within the Service and the management of the risks contained within it.	Chief Fire Officer/ Deputy Chief Fire Officer	31st March 2023

7.1 We propose over the coming year to take steps to address the above matters to enhance our governance arrangements further. 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:



Zoe Metcalfe
Police, Fire and Crime Commissioner for North Yorkshire



Jonathan Dyson
Chief Fire Officer



Michael Porter
PFCC Chief Finance Officer

Date: 30/11/2022