

Annual Governance Statement

Position as at 6th May 2024 including plans for the year to 31st March 2025.

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).

The functions of the Police, Fire and Crime Commissioner (PFCC) in North Yorkshire, were transferred by Parliamentary Order (The York and North Yorkshire Combined Authority order 2023) to the Elected Mayor of York and North Yorkshire Combined Authority from 7th May 2024. The transfer of the PFCC functions to the Mayor mean that the legal entity known as the North Yorkshire Police, Fire and Crime Commissioner (Fire and Rescue Authority) ceased to exist as of 6th May 2024 and all staff, rights and liabilities transfer to the Combined Authority.

This annual governance statement reflects the final and slightly extended period of the governance framework put in place for the PFCC FRA for the extended year ended to the 6th May 2024 including plans for the period to the 31st March 2025.

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 2022-25](#) was in place throughout the 2023/24 financial year and up to the period of the 6th May 2024, and set out the strategic vision, priorities and objectives for North Yorkshire Fire and Rescue Service over that three year period including how it would better respond to the needs of the communities of North Yorkshire. The plan set out the following 4 principles:
- Caring about the vulnerable
 - Ambitious collaboration
 - Realising our potential
 - Enhancing our service for the public
- 2.3 The former PFCC considered what was achievable for North Yorkshire Fire and Rescue Service in working towards achieving the ambition set out through these Principles over the period of the plan and set outcomes that she would assess their progress against. These were:
- Actively engage with all communities to identify need and risk and to reassure.
 - Work jointly as a trusted partner to prevent harm and damage, intervene early and solve problems.
 - Deliver the “Right People, Right Support” every time.
 - Maximise efficiency to make the most effective use of all available resources.
 - Enhance positive culture, openness, integrity and public trust.
- 2.4 The Service consulted with the workforce during 2023/24 about whether to maintain both the Service Values which were launched during 2020/21, and were 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 Or to keep the Core Code of Ethics as the foundations of services culture and behaviours, which are as follows:
- Putting our communities first – we put the interest of the public, the community and service users first.
 - Integrity – we act with integrity including being open, honest and consistent in everything we do.
 - Dignity and respect - making decisions objectively based on evidence, without discrimination or bias.
 - Leadership – we are all positive role models, always demonstrating flexibility and resilient leadership. We are all accountable for everything we do and challenge all behaviour that falls short of the highest standards.
 - Equality, diversity, and inclusion (EDI) – We continually recognise and promote the value of EDI both within the FRSs and the wider communities in which we serve. We stand against all forms of discrimination, create equal opportunities, promote equality, foster good relations, and celebrate difference.

- 2.6 On the 29th April 2024 the Service officially relaunched the Core Code of Ethics and removed the existing service values.
- 2.7 These principles, expected outcomes and Values helped shape the governance framework of the Fire Service throughout the period covered by this Governance Statement.
- 2.8 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.
- 2.9 A governance framework has been in place at the PFCC FRA for the extended year ended 6 May 2024 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.
- 3.3 This review has also been informed by the conclusions of our internal auditors that, for the second year in a row 'The organisation does not have an adequate framework of risk management, governance and internal control'
- 3.4 Whilst also reflecting that the 2 Causes of Concern raised by HMICFRS from their inspection which took place between March and May 2022 were closed during 2023/24.

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 had again reviewed and refreshed its overall Code of Corporate Governance during the year to ensure that it was fit for purpose.

The review also welcomed the updated and revised Internal Governance Arrangements, that align with the Code of Corporate Governance, and that were agreed by the Senior Leadership Board in December 2023.

The review does however reflect that there are significant changes to Governance, as a result of the transition to the Combined Authority from 7th May 2024, and that this has the potential to create challenges and uncertainty around decision making, how the Service is governed going forward and what the key roles and responsibilities are within the Service post the transition.

It will be vital that clarity is provided in this area during 2024/25.

The review recognised the recent decision to move to away from separate Service Values and to focus on and align with the National Code of Ethics and looks forwards to seeing this develop and embed over the coming year.

The review reflected on the significant progress that has been made to address the 19 Culture and Values recommendations assigned to the service, and looks forward to continued progress in this area in 2024/25.

In addition to this the review was pleased to see that the 'Framework for Change Project' work started during 2023/24. The Framework for Change Project aims to 'draw out the lived experiences of our staff to ascertain a baseline of where our Cultures and Values lie throughout North Yorkshire, giving our staff the opportunity to voice their views and then shape how we move forward as an organisation. This project will be run alongside academic research fellows from Huddersfield

University, who bring academic toolkits and frameworks for NYFRS to continually work with to improve and enhance the workplace culture with North Yorkshire Fire and Rescue Service.'

The review is keen to see how this area develops during 2024/25.

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 5 separate, Fire specific, live broadcast [On-Line Public Meeting](#) taking place during 2023/24, which allowed the former 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 'X' during the meeting to ask questions. The review reflected that this was a significant strength of the organisation during both significant change for the Service and also during a time on adverse inspection reports.

The significant engagement with the public around the Fire and Rescue plan and the Risk and Resource Model has been supplemented by separate engagement and consultation with the public during 2023/24. As with previous years a major element of this was 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 2024/25, which was undertaken in 2023/24, and had 2,680 responses, resulted in 69% supporting an increase of 2.99% or above, with a 2.99% increase proposed by the former PFCC.

In addition to this the former PFCC put in place a '[Trust and Confidence](#)' Survey during 2023/24 'to regularly hear from members of the public to understand the level of trust and confidence they have

in their fire and rescue service here in North Yorkshire and York, to ensure it's delivering a service which keeps people safe and feeling safe.'

The review reflected that the overall work around this principle is excellent and a significant strength and base from which the Service can then deliver for the public.

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

During 2022/23 HMICFRS raised 2 causes of concern in relation to North Yorkshire Fire, these were:

First Cause of concern

The service doesn't have in place robust processes to ensure transformation activities provide efficiency and effectiveness.

Second Cause of Concern

The service doesn't have in place adequate workforce planning processes. This means that areas such as safety-critical training, succession planning, absence and work-time management don't support its current and future integrated risk management plan.

The review was pleased to see that The HMICFRS concluded in their September 2023 update letter that:

'We recognise the considerable work carried out to support these improvements. As a result, we now consider both causes of concern to be resolved. We will, however, continue to monitor them during our scheduled inspection of the service in 2024 as part of our established inspection methodology'

In addition to this, the review was pleased to see that the Service has put in place a comprehensive [Efficiency and Productivity](#) Plan which has clearly contributed to the development of a balanced [medium term financial plan](#).

It is worth recognising however that the Service continues to be transparent about the operational context and challenges that it faces, these are included within the Productivity and Efficiency Plan, and in the Narrative Statement to the Statement of Accounts, which articulate the following:

Our Service area is one of the largest in England covering more than 3,200 square miles (which equates to approximately 7.5% of England's geographic area) and over 6,000 miles of road. We have 38 stations covering this area, which is only 82 square miles less than all the Metropolitan services and London Fire Brigade's service areas combined. We recognise that our risk profile is vastly different from those heavily populated urban services, as our area is sparsely populated but there are still over 340,000 households and over 830,000 residents. Our area has isolated rural settlements and farms, market towns, and larger urban areas such as York, Harrogate, and Scarborough with the associated societal risk and vulnerability. The City of York is also home to over 21,000 students, with two universities and more than 20 million visitors come to our area each year. The current funding model does not take account of this.

Our primary challenge as a service is balancing our ambition and improvement journey with maintaining financial security and sustainability. Our improvements need to be innovatively generated, with clear leadership for delivery, rather than financially generated. Since governance transfer, we have identified significant savings and efficiencies whilst managing to protect essential frontline services. We have progressed collaboration at pace, but to avoid overspend we have had to reduce the capital investment programme, preventing much needed modernisation of our estate, fleet, and equipment.

The current funding formula does not account for geographic expanse or wider risks such as climate change. As a service familiar with wildfires and wide area flooding, we need to maintain suitable assets to respond to these risks, as evidence suggests these will become more frequent and severe. As a service our ambitions are constrained in parts by our budget, we continue to face significant financial pressure, despite an enormous drive locally for increased productivity and efficiency. We continue to 'save to survive' rather than having the ability to 'invest to improve' delaying much needed additional public value, efficiency and effectiveness.

Productivity, Efficiency and Financial Planning and Control will continue to be vitally important to the Service on its improvement journey, especially given the higher costs that have been agreed through National Pay Awards in 2024/25 and this will need to be an area of continued focus for the Service during 2024/25.

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 welcomes the continued development of a comprehensive Productivity and Efficiency Plan for 2024/25 that builds on the one from 2023/24. The review looks forward to the further development of this product to set out the achievement of the plans that are in place and the incorporation of future efficiencies.

The review was pleased to see the conclusion of the work on the Fire Estate that was started during 2021/22 and raised as a significant governance issue last year.

However, concerns around Estates Management have been raised as part of the Internal Audit programme for 2023/24 – with Minimal Assurance being the conclusion of that Audit, with the overview being that:

Our review focused on the Service's estates strategy and the information which informs the strategy e.g. stock condition surveys. In addition, we considered the reporting through the Service's governance structure and how the strategy informs the Service's medium-term financial plan. We identified the Service has not yet developed an estates strategy and in the absence of an up-to-date stock condition survey (last completed in 2014), there is limited information available to inform decision making in respect of planned estates works. Instead, works are raised based on historic records and professional judgement. We further identified that evidence to support the ordering of planned maintenance and reactive maintenance works is not retained on file to evidence approval in line with the scheme of authorisation. In addition, we noted that record keeping in respect of maintenance works could be improved to support effective planning and monitoring. This resulted in the agreement of three high, 10 medium and three low priority management actions.

The review considers this to be a Significant Governance Issue with the action to address these issues during 2024/25.

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 review welcomes the stability the Senior Leadership Team has brought to the Service and continues to look forward to seeing the impact, improvement and results that this brings.

The review was pleased to see that through the Strengths Based Assessment, promotion centres have been undertaken for all roles from Deputy Chief Fire Officer to Firefighter in 18 months resulting in, amongst many other benefits:

- The managerial structure vacancies reducing from 42% temporary to 11% year on year –
- Recruitment activity culminating in an intake of new substantive Wholetime Firefighters and fewer temporary contracts.
- Review of development folder progress and managerial push for progress.
- Delivery of First Line Leader training to all Middle and Supervisory Managers.

The review welcomes that plans have been proposed to ensure the service doesn't regress to a reactive temporary structure again with promotion boards and recruitment activity set out for the next 18 months.

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

The review welcomes the revised clarity for Internal Governance that has been set out for North Yorkshire Fire and Rescue Service, including the key decision-making groups. It shows how reporting flows from the internal governance structures, into the external governance arrangements. With the principles of decision making clearly set out within the document.

There are three prime groups with the purpose to provide governance at strategic, tactical and delivery levels:

- Strategic Leadership Board (SLB)
- Tactical Leadership Board (TLB)
- Service Delivery Performance Group

These are underpinned and supported by further governance groups which cross into all areas:

- Strategic Equality, Diversity, Inclusion and Culture Board
- Health and Safety Committee
- Local Pension Board
- Change Board

For transparency, minutes of SLB will be displayed on the Service intranet, available to all colleagues following submission to Executive Board.

The review continues to welcome that the new Senior Leadership Team worked with the Internal Auditors to target areas of management concern within the 2023/24 Internal Audit Plan. The results of these reviews have again however proved those concerns to be true, and the outcome of this work will be reflected in the reiteration of a significant governance issue, that was raised in 2023/24, for the Service to address during 2024/25.

The significant concern is that the findings of the 5 internal audit reviews completed to the date of writing this draft report have all but one has provided negative assurance.

In addition to this both of the 'follow-up' of the implementation of actions resulted in 'little progress' being determine by Internal Audit.

As a result for the period ended 6th May 2024, the Head of Internal Audit opinion for the Police, Fire and Crime Commissioner Fire Rescue Authority for North Yorkshire is as follows:

'The organisation does not have an adequate framework of risk management, governance and internal control.'

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 again reflected that the significant concerns highlighted within the internal audit work impacts on the confidence around a number of important areas including the assurances that employees are working within policies and procedures. This concern is added to further with regular internal work showing that significant documents are 'out of date' in terms of them being reviewed and updated.

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 the period from the 1st April 2023 to 6th May 2024, the Head of Internal Audit opinion for the Police, Fire and Crime Commissioner Fire Rescue Authority for North Yorkshire is as follows:

5.9 'The organisation does not have an adequate framework of risk management, governance and internal control.'

External Audit

- 5.10 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

- 5.11 In addition to the above other review/assurance mechanisms such as His 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.
- 5.12 The Service underwent an inspection process which commenced on the 21st of March 2022 and concluded on the 30th May 2022.
- 5.13 The HMICFRS reported 2 Causes of Concern within that inspection that were highlighted as Significant Governance Issues to be addressed during 2023/24. As reported elsewhere these 2 Causes of Concern are considered by the HMICFRS to be 'resolved'

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. There are however a number of issues of a significant nature that need to be urgently addressed during 2024/25, along with a number of areas that require continued focus to ensure that they do not become significant issues in future years.

7 Governance Issues

Action Plan for 2024/25 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	<p>The Senior Leadership Team working with the Internal Auditors have continued to target areas of management concern within the 2023/24 Internal Audit Plan. The results of these reviews, as with those from 2022/23, have however proved those concerns to be true, and the outcome of this work is an adverse Head of Internal Audit Opinion for 2023/24, following from an Adverse opinion in 2022/23.</p> <p>ACTION: Ensure that the Risk and Assurance Board oversees the timely implementation of all actions raised within all Internal Reports and hold all action owners to account.</p> <p>ACTION: Ensure that the Risk and Assurance Board oversees the Check and Challenge sessions to provide wider organisational support and understanding to the implementation of all Internal Audit actions going forward.</p>	Deputy Chief Fire Officer	31st March 2025
DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES	<p>An Internal Audit on <u>Estates Management</u>, focused on the Service's estates strategy and the information which informs the strategy e.g. stock condition surveys. In addition, it considered the reporting through the Service's governance structure and how the strategy informs the Service's medium-term financial plan. The Audit identified the Service had not yet developed an estates strategy and in the absence of an up-to-date stock condition survey (last completed in 2014), there is limited information available to inform decision making in respect of planned estates works. Instead, works are raised based on historic records and professional judgement. The audit further identified that evidence to support the ordering of planned maintenance and reactive maintenance works is not retained on file to evidence approval in line with the scheme of authorisation. In addition, we noted that record keeping in respect of maintenance works could be improved to support effective planning and monitoring.</p> <p>ACTION: Ensure that all actions and issues raised within the Internal Audit report are addressed.</p>	Assistant Chief Officer	31st March 2025
Areas which require further/continued focus	Action	Owner	Target Implementation Date
MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT	<p><u>Supplier Payments: Process and Control Assurance</u></p> <p>This internal audit review focused on whether expenditure is committed, approved and accounted for in line with the Financial Regulations, and that suppliers are paid accurately and in a timely manner. The review identified that the controls used to manage the supplier payments process require urgent improvement, and noted significant deficiencies in relation to the purchase order and goods receipting processes. The ordering and receipting processes are managed by individual departments and not by the Finance Team, and the lack of centralised oversight has led to inconsistencies in processes and in the evidence retained on file.</p> <p>ACTION: Ensure that all actions and issues raised within the Internal Audit report are addressed.</p>	Chief Finance Officer/Head of Enable Finance	31st March 2025
MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT	<p><u>Asset Management</u></p> <p>Our review focused on how the Service's asset management arrangements are effectively maintained and processes were in place to identify when replacements are required. Our review established that whilst expectations and processes have been identified by management, these do not seem to be reflected at an operational level, and further development is required to ensure gaps in the control framework are identified and resolved, and processes have been clearly communicated to the wider Service.</p> <p>ACTION: Ensure that all actions and issues raised within the Internal Audit report are addressed.</p>	Assistant Chief Officer	31st March 2025

- 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:

David Skaith
York & North Yorkshire Mayor

Jonathan Dyson
Chief Fire Officer

Michael Porter
Assistant Director of Resources (Deputy s73 Officer for Police, Fire and Crime Functions)

Date: