

## DRAFT ANNUAL GOVERNANCE STATEMENT 2016/17

### 1. Scope of Responsibility

- 1.1 The Fire Authority (the Authority) has a statutory responsibility to ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. To do this the Authority must ensure that proper arrangements exist for the governance of its affairs. This includes maintaining a sound system of internal control and ensuring that robust arrangements for the management of risk are in place.

### 2. The Purpose of the Governance Framework

- 2.1 Governance is about how the Authority ensures that it is doing the right thing, in the right way for the right people in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, cultures and values, by which the Authority is directed and controlled and through which it accounts to and engages with its communities.
- 2.2 The system of internal control is designed to manage risk to a reasonable level (rather than to eliminate all risk). The Authority maintains a sound system to protect against risks and mitigate their impact. The systems are regularly reviewed and updated.

### 3. Key Elements of the Governance Framework and Internal Control System

- 3.1 The Authority has adopted a Code of Corporate Governance, which sets out how the Authority promotes good governance. A copy of the code is available at [hwfire.cmis.uk.com/hwfire/Documents/DocumentLibrary.aspx](http://hwfire.cmis.uk.com/hwfire/Documents/DocumentLibrary.aspx) or may be obtained from Hereford & Worcester Fire and Rescue Service Headquarters, 2 Kings Court, Charles Hastings Way, Worcester, WR5 1JR.
- 3.2 The Authority has the following protocols and processes in place which demonstrate the core principles as required by the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016:

#### **Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law is demonstrated through:**

- **Members' Code of Conduct and Registers of Interests** – a local Code of Conduct for all Members has been agreed by the Authority and a Register of Financial Interests for each Member are published on the Authority's website.
- **Ethical Framework** - reflects the Authority's commitment to always operating fairly and ensuring dignity and respect in the workplace and in the communities we serve, in an environment which values individual contributions and work towards the elimination of unlawful discrimination.
- **Code of Conduct for Staff and Register of Staff Interests** - requires employees to perform their duties with honesty, integrity, impartiality and objectivity.
- **Whistleblowing Policy** - in place for receiving and investigating complaints from staff and/or contractors.
- **Complaints Systems** - in place for receiving and investigating complaints from the public. A procedure is also in place for complaints relating to alleged breaches of the Code of Conduct by Members.

- **Anti-Fraud, Bribery and Corruption Policy** – the Authority has a zero tolerance approach to fraud, bribery and corruption, whether it is attempted from inside or outside the organisation.
- **Monitoring Officer** - provides advice on the scope of the powers and responsibilities of the Authority. The Monitoring Officer has a statutory duty to ensure lawfulness and fairness of decision making and also to receive allegations of breaches of the Code of Conduct by Authority Members. The Head of Legal Services acts as the Authority's Monitoring Officer and is governed by the professional standards set by the Solicitors' Regulation Authority.

**Core Principle B: Ensuring openness and comprehensive stakeholder engagement demonstrated through:**

- **Consultation Processes** – used effectively to consult stakeholders in 2016/17 about suitable sites for the proposed Wyre Forest Emergency Services Hub, a brand new central 'hub' for the fire, police and ambulance services.
- **Public Participation at Authority meetings** – members of the public can raise any topic at full Authority meetings as long as it is relevant to the duties and power of the Fire Authority.
- **Fire Station Open Days and public events** – facilitates engagement with the public with regards to the services we provide.
- **Active engagement with partners** – the Authority is represented on Local Strategic Partnerships, the Safer Roads Partnership and local Community Safety Partnerships.

**Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits demonstrated through:**

- **Fire Authority Annual Report 2016/17** (Corporate Plan) - incorporates the annual performance of the Authority, the future outlook and objectives for the forthcoming year.
- **Community Risk Management Plan 2014-2020** – sets out how we will deliver sustainable services for our communities.
- **2020 Vision Programme** – a programme of major projects identified as being critical to the success of the organisation because they ensure its on-going resilience in the coming years. The projects in the programme include new fire stations, the roll out of vital new technology upgrades as part of national projects, and pivotal work with local partner organisations.
- **Fleet Strategy 2016-2021** – provides a structured approach to vehicle management that ensures the Authority continues to provide and maintain an effective fleet of vehicles to ensure that staff can undertake their jobs effectively.

**Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes demonstrated through:**

- **Performance Management Framework** – a comprehensive set of key performance indicators measures the quality of service for users. Performance is monitored on a quarterly basis by the Authority's Policy & Resources Committee and Senior Management Board to ensure that services are delivered in accordance with the Authority's objectives and best use of resources.

- **Medium Term Financial Plan** - sets out the resources needed to deliver services.
- **Strategic Risk Register** - identifies controls to mitigate inherent identified risks and is monitored on an on-going basis with exception reporting to the Senior Management Board and to the Audit & Standards Committee.
- **Departmental Risk Registers** - reviewed by managers on a quarterly basis.

**Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it demonstrated through:**

- **Constitution** - defines the roles and responsibilities of the Authority, Committees, Members and Officers and the protocols to be followed.
- **Member Development Strategy** – includes an induction for new Members and an annual training programme to provide opportunities for all Members to develop fire-specific knowledge.
- **Senior Management Board (SMB)** – involves all Principal Officers and Heads of Service in supporting the Chief Fire Officer to lead the Service.
- **Staff Development Process** – Individual Performance and Development Reviews in place for all staff to enable personal objectives to be set which contribute to the overall aims of the Authority. Competency training records and a course management system are also in place.

**Core Principle F: Managing risks and performance through robust internal control and strong public financial management demonstrated through:**

- **Audit & Standards Committee** - reviews arrangements for identifying and managing the Authority's business risks and the approval of policies in respect of the Authority's governance framework.
- **Chief Financial Officer (Treasurer)** - ensures the sound administration of the financial affairs of the Authority, as required by the statutory duties associated with s.151 of the Local Government Act 1972, the Local Government Finance Act 1988 and the Accounts and Audit Regulations 2015. The Chief Financial Officer is also governed by professional standards set by CIPFA.
- **Risk Management Strategy** - ensures that the Authority identifies strategic risks and applies the most cost effective control mechanisms to manage those risks.
- **Business Continuity Plan** - to ensure the Authority is resilient to interruptions which have the potential to adversely affect the delivery of core functions.

**Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability demonstrated through:**

- **Transparency Information** - published on the website in accordance with the Local Government Transparency Code to promote openness and accountability through reporting on local decision making, public spending and democratic processes.
- **Agendas, minutes and decisions** – published on the website and includes the rationale and considerations on which decisions are based.

- **Internal Auditors** - Worcestershire Internal Audit Shared Service Audit Team provides the internal audit function for the Authority and reports quarterly to the Audit & Standards Committee. During 2016/17, Internal Audit undertook an audit of the development of the Annual Governance Statement and provided full assurance.
- **External Auditors** - Grant Thornton UK LLP provides the external audit services to the Authority and reports regularly to the Audit & Standards Committee.
- **Annual Assurance Statement** - provides staff, partners and local communities with an assurance that the Authority is doing everything it can to keep them safe and that it is providing value for money.

#### **4. Review of Effectiveness**

- 4.1 The Authority has prepared the Annual Governance Statement in accordance with the "Delivering Good Governance in Local Government Framework 2016" published by CIPFA/SOLACE. As part of the process the Audit & Standards Committee [will consider] the self-assessment review of its corporate governance arrangements against the CIPFA/SOLACE framework to ensure that the Authority's governance arrangements are working correctly and are relevant to the current environment.
- 4.2 The Authority is satisfied that its financial management arrangements conform with the governance requirements of the CIPFA Statement of the Role of the Chief Financial Officer in Local Government. In addition, the key financial systems are continually reviewed by the Internal Auditor. There were no major weaknesses identified in the 2016/17 financial year.
- 4.3 Budget Monitoring reports have been presented to the Policy and Resources Committee throughout the financial year and have shown that the Authority's finances are well controlled and that the resultant under spending is part of a planned response to known future budget constraints. The Authority is working on some longer term schemes to ensure a recurrent budget over time.
- 4.4 The Chief Financial Officer and the Monitoring Officer have provided assurances on their respective areas of statutory responsibility. All Members of the Senior Management Board have also provided assurances on their areas of responsibility.
- 4.5 The Monitoring Officer received no complaints regarding member conduct in 2016/17.

#### **5. Significant Governance Issues**

- 5.1 Based on the information provided above there are no significant governance issues identified at this time. We are satisfied that the need for improvements will be addressed and we will thereafter monitor the implementation and operation of any agreed recommendations as part of our next annual review.

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**Chief Fire Officer/Chief Executive Chairman of the Fire Authority**

**Date: 27 September 2017**