

Wiltshire and Swindon Fire Authority



Annual Governance Statement

Scope and Responsibilities

The functions and responsibilities of Fire and Rescue Authorities are set out in the Fire and Rescue Services Act 2004 which came into effect on 1 October 2004. Under this Act, every Fire and Rescue Authority must make provision, in its area for: -

- Promoting fire safety
- Extinguishing fires
- Protecting life and property in the event of fires
- Rescuing people in the event of road traffic accidents
- Protecting people from serious harm, to the extent that it considers it reasonable to do so, in the event of road traffic accidents.

The Authority approved *Local Code of Corporate Governance* has been in operation since 2008. It was reviewed and updated in 2012 and submitted to the Authority for their approval. In preparing this *Annual Governance Statement*, the *Local Code of Corporate Governance* is used as the benchmark or standard by which to measure against.

Review of Effectiveness

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

The key areas of the governance arrangements include: -

I. The Authority

The governance framework requires an internal review of the effectiveness of the governance arrangements within the Authority, and a part of this review has been carried out by Internal Audit as part of the audit programme for 2015/16. The results of the review and associated action plan have been reported to senior management. The Deputy Chief Fire Officer and the Brigade Manager – Governance & Assurance jointly periodically review progress on the recommendations arising from the review, and the Finance Review and Audit Committee are updated on progress throughout the year.

Members and Officers continued to work together to achieve a common purpose with clearly defined roles and responsibilities, as laid out in the Service's Members' Handbook. This is demonstrated in accordance to the Officer Member protocol, through regular member briefings, strategy days/seminars to inform Members of developments in a less formal manner and induction and training provided to all Members, in particular, new Members.

The Authority met formally on a quarterly basis, culminating in its annual meeting in May each year.

II. Management Teams

The Service's four Brigade Managers made up the Executive Management Team (EMT) responsible for overall strategic direction, leadership and visioning, each with specific references. Members of the EMT plus Area Managers (uniformed staff) or equivalents (corporate staff), form the Management Board, which was fully established and was responsible for the running and delivery of the service, although over the last year focus has been on the establishment of the new Authority and Service.

The EMT met weekly and the MB meet twice per month scheduled throughout the year and where necessary, extraordinary or urgent meetings are held. Clear messages emanating from EMT and/or MB are communicated through a variety of channels, e.g. the weekly bulletin, special bulletins, 'QM' (the monthly service newsletter) and Delivery Management Team (DMT).

One of the Brigade Managers holds the statutory role of the Chief Financial Officer, under Section 151 of the Local Government Act 1972 and Section 112 of the Local Government Finance Act 1988, and is responsible for the proper administration of the financial affairs of the authority. The financial management arrangements conform to the

governance requirements of the CIPFA (Chartered Institute of Public Finance and Accountancy) Statement on the Role of the Chief Financial Officer in Local Government (2016).

III. The Audit /Scrutiny/Risk Management Committees

The Finance Review and Audit Committee hold the role of audit committee, and the Programme and Scrutiny Board has responsibility for risk management. While both fulfil the scrutiny role, the Programme and Scrutiny Board, as the name suggests, has a specific scrutiny function. Each meets quarterly with defined terms of reference as approved by Members.

Workstreams of the Programme & Scrutiny Board have been aligned, under the brigade management structure, and their terms of reference have been reviewed and amended by officers and members and approved by the full authority.

IV. The Ethics Committee

The Ethics Committee meets on an ad-hoc basis as and when issues need to be debated.

During 2015/16 the Ethics Committee met in August 15 to receive and discuss:

- Annual reports on: -
 - grievances and disciplines;
 - whistle-blowing;
 - anti-fraud and corruption;
 - security breaches;
- Quarterly report on the Regulations of Investigatory Powers Act (RIPA);
- A report on Committee substitutions as referred by the Full Authority.

V. Internal Audit

The Authority has a contract with Swindon Borough Council for the provision of the Internal Audit service, with 2015/16 being its fourth and final year of the contract. Procurement for a new contract was undertaken and new auditors appointed for the new Authority. Internal Audit forms a major part of the internal control framework which governs the operations of the Service. The audit plan for 2015/16 was approved by the Members in March 2015. Internal Audit provides an independent

and objective opinion, to both Management and Members of the Authority on the robustness of the control environment of the Service. An overall 'Satisfactory' opinion was given in the annual report to the new Audit Committee for the new Authority in July 2016.

The level of internal audit resources required to examine all the Authority's activities far exceed those available each year. It is, therefore, essential that the work of Internal Audit is appropriately planned and prioritised to ensure that maximum benefit is gained from the independent appraisal function that internal audit provides.

Resources are targeted by assessing the Authority's total audit needs and preparing a plan that ensures systems are reviewed on a risk basis according to the impact they have on service delivery.

The internal audit plan for 2015/16 was based on the Authority's corporate risk register. These were complemented by priorities identified by Directors, the requirements of the Brigade Manager - Governance and Assurance, in his role as Section 112 Officer, those of External Audit and Internal Audit knowledge of potentially high-risk areas. The Authority's Finance Review and Audit Committee approved the annual audit plan.

All the main financial system audits included in the plan were audited. Reports have been issued and agreed with relevant managers but some slippage of other audits has meant that some audits weren't finalised until the start of 2016/17.

The Auditors have been assessed for compliance against the Public Sector Internal Audit standards, and managers have been very receptive to the recommendations resulting from the work of internal audit, as evidenced by the customer feedback surveys returned on completion of the audits.

From the comparison of internal audit against relevant auditing standards, a review of the Annual Audit Plan and progress against it, regular attendance at the Finance Review and Audit Committee and a review of individual pieces of audit work, there are no matters to raise concerning the operation of SBC's internal audit team as part of the internal control systems and that the work of internal audit contributes to the risk assessment of the Authorities overall control environment.

VI. External Audit

The appointed external auditor is KPMG who undertake the external audit service starting with the interim and final accounts audit.

The external auditor places reliance on some of the work of Internal Audit, and the external audit in their annual audit and inspection letters over a number of years, have been complimentary about the systems of financial control in operation. Similarly, the external auditor reports their plans and delivers his Annual Report to the Authority.

The Annual Audit Letter in respect of 2014/15 was reported to all Members of the Finance Review and Audit Committee in October 2015. The external auditor identified one issue in the course of the financial statements audit that was uncorrected are required reporting in relation to a provision for the miscalculation of historic commutation payments in respect of members of the Firefighters Pension Scheme who retired between December 2001 and August 2006. An 'unqualified' opinion was issued for both the value for money (VFM) judgment and the financial statements. This means that our external auditors are satisfied we have proper arrangements for securing financial resilience and challenging how we secure economy, effectiveness and efficiency, and that our financial statement give a true and fair view of the financial position as at the end of the financial year.

In response, the new Service will, under the direction of the Authority continue to: -

- address any areas for improvement;
- ensure policies, strategies and processes are maintained with a clear focus on delivering high performance in priority areas;
- develop and implement a comprehensive training and development programme for Members to ensure effective leadership, challenge and accountability;
- demonstrate clear on-going commitment from senior management and Members to deliver improvement on Equality and Diversity issues; and,
- review and monitor our performance to gauge our success.

Significant Governance Issues and Risks

Much of the work of the last 12 to 24 months has been focused on the combination with Dorset, which has been managed within a separate Combination Programme and reported to Members through those channels. The programme of work included the development of a strategic risk register for the new Authority, taking account of the existing Authority's strategic risks along with on-going combination risks and new emerging risks resulting from intelligence from key stakeholders. Both Local Resilience Forums for Dorset and Wiltshire were involved at an early stage, and support was provided by DCLG. Contact was also made with both the Scottish Fire Service and Devon & Somerset Fire and Rescue Service, with a view to understanding their 'day one' risks, current strategic risks and to review any lessons learnt from their merger

processes.

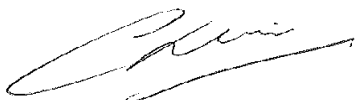
The draft strategic risk register developed from this process was reviewed and validated by the Joint Leadership Team and presented to Members at the Shadow Policy and Resources Committee in January 2016. In addition, the full programme of work to develop the strategic risk register, including a new risk matrix, was reviewed and endorsed by the Southwest Audit Partnership (SWAP).

The risks within the strategic risk register, along with any new emerging strategic risks will be reviewed on a monthly basis and managed by the Strategic Leadership Team.

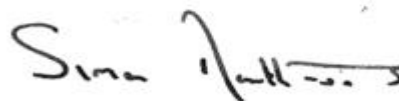
The strategic risk register will be reported to the Finance and Audit Committee, who will monitor and make recommendations to the Fire Authority when necessary.

On an annual basis, the strategic risks will be reported to the Fire Authority as part of the Annual Governance Statement for the new Authority.

The strategic risk register for the new Authority is available on the new Service website at www.dwfire.org.uk.



Chairman, Wiltshire and Swindon
Fire Authority



Chief Fire Officer and Chief Executive