

Statement of assurance		
Subject	Financial Management	
Officer	Ian Cotter	
Date	June 2017	
Overall judgement	Excellent	Best practice arrangements exist, no outstanding issues, high confidence
	Good	Good confidence, no major issues or failings, action plan in place
	Fair	Some good practices in place but no procedure, key issues exist, with more work to be done, action plan in place
	Poor	Failings have occurred or are likely to occur, considerable issues exist, known weaknesses, considerable areas of concern
What are we assuring?		
Basis of judgement	<p>The Financial Regulations for the new Authority were formally approved by the Fire Authority in February 2016. These were developed following a review of the existing regulations of the two former Services. To support the new regulations an overarching Financial Management Policy was also developed and this sets out our approach to ensuring the sound financial management and control of the assets and finances of the Fire and Rescue Authority and Fire and Rescue Service.</p> <p>The Financial Management Policy is then supported by a number of operating procedure documents covering areas such as Ordering and Payment, Budget Responsibility, Income and Debt Recovery, and Anti-fraud, Corruption and Anti-bribery.</p> <p>The Fire Authority is kept informed, and takes an active role, in the financial management of the Service. The Finance, Governance and Audit Committee receive regular quarterly financial performance reports, treasury management reviews and are kept informed of other financial issues as they arise. A number of seminar sessions were run for the Committee during 2016/17.</p> <p>The 2015/16 statutory final accounts of both former Services were audited during 2016, and presented to the Finance, Governance and Audit Committee in September 2016. Both sets of accounts received a clean audit report from KPMG, our external auditors. We are in the process of completing the first set of statutory final accounts for the new Service and these will be published at the end of September 2017. We are working closely with KPMG to ensure a smooth audit process.</p> <p>The Key Financial Controls Audit for 2016/17 has given "Adequate" assurance, stating that most of the areas reviewed were found to be adequately controlled, and risks were well managed. A number of recommendations were made, with the most significant centring on provision of financial information, budget management and treasury management. Further work is required to develop the use of Agresso in the new Service and provide good levels of training.</p>	

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	<p>Our baseline assessment has identified the following action areas to strengthen:</p> <ul style="list-style-type: none"> • We need to restructure the finance and procurement function, providing additional capacity to meet the demands of the new Service • We need to improve Budget monitoring, reporting and delivery of corporate financial performance monitoring requirements • We need to develop and deliver regular training, awareness and guidance sessions for managers • We need to develop and update our procurement procedure to include a procurement strategy for the new Service. <p>Fraud weekly updates include occasional reminders about whistleblowing and fraud procedure During the year there were 22 discipline cases, with only 1 involving an allegation of fraudulent use of public funds. We have been subject to some corporate procurement card scams during the year and have reminded staff to be vigilant over the use and security of their cards. One or two email scams were also received which were attempting to defraud the Service. No financial loss has been suffered as a result of these scams.</p> <p>We have participated in the latest round of the National Fraud Initiative and are currently investigating all relevant matches found.</p>				
Outstanding key issues	Priority <small>(for fair and poor judgements only)</small>			Improvement required	Lead
A brief summary of the outstanding issues	H	M	L	What is being done or is proposed to address the outstanding issue	Who is leading
Capacity in the finance team	X			Restructure finance team to provide more capacity and better support the Service	Head of Financial Services

Priority H – within 12 months, M – within 24 months, L - within 36 months or more.
 When agreed with Director these issues should be fed into team planning.