

Annual Governance Statement 2023/24 and Improvement Plan 2024/25

Report of the Chief Fire Officer

For further information about this report please contact Simon Hardiman, Chief Fire Officer, on 01743 260201 or Ged Edwards, Planning and Performance Manager, on 01743 260208.

1 Executive Summary

The purpose of this report is twofold: it sets out the draft Annual Governance Statement (AGS) for 2023/24 and the AGS Improvement Plan 2024/25 to be included in the Fire Authority's Statement of Accounts. It also reports on the close down of activities contained within the 2023/24 Improvement Plan.

2 Recommendations

The Committee is asked to:

- a) note the progress and close down of the 2023/24 Improvement Plan; and
- b) agree the AGS 2023/24 and 2024/25 Improvement Plan for inclusion in the 2023/24 Statement of Accounts.

3 Background

Corporate governance and accounting regulations require the Fire Authority to publish annually, on a timely basis, an objective, balanced and understandable statement and assessment of the Fire Authority's governance arrangements, including its risk management and internal control mechanisms, and their effectiveness in practice. This is known as the Annual Governance Statement (AGS).

The Fire Authority has delegated responsibility for the development of the AGS to the Risk Management Group. The Fire Authority has delegated

approval of the Statement of Accounts to the Standards, Audit and Performance Committee. The Statement will, therefore, be signed off by the Chair of the Committee, the Chief Fire Officer and Treasurer at the December meeting of the Committee.

The Statement of Accounts contains a statement as to how effective the Authority's various systems of internal control have been in governing the risks, to which the Authority is exposed. Areas of the system of internal control that have been identified as requiring improvement are listed in the AGS and an action plan has been developed to ensure that these improvements are progressed during the coming year. This is known as the AGS Improvement Plan.

This Committee is responsible for monitoring the progress, which the Service makes against the Plan.

4 Monitoring Progress against the AGS Improvement Plan 2023/24

A copy of the AGS Improvement Plan 2023/24 is attached at the Appendix A to this report, which shows progress against each of the planned activities.

The 2023/24 Improvement Plan is monitored against six areas of activity:

1. People
2. Process
3. Systems/ Infrastructure
4. Building Facilities
5. Appliances/ Equipment
6. Collaboration

The six areas have been reviewed and will continue to be monitored within the new 2024/25 Improvement Plan. The detailed activities within these six areas have been updated as necessary to align with the Service priorities set out in the 2023/24 Annual Plan.

5 AGS 2023/24 and AGS Improvement Plan 2024/25

In accordance with the Accounts and Audit Regulations, Officers have reviewed the effectiveness of the Authority's internal control systems, which constitute the Authority's Governance Framework, with the aim of identifying further improvements, where required. This process involves the responsible officers' signing 'Assurance Statements' for each of the areas, for which they are responsible. Officers' statements are then reviewed by the Lead Executive Officer to ensure that the areas identified for improvement are appropriate and achievable.

A requirement of Regulation 6 (3) of the Accounts and Audit Regulations is to review annually the effectiveness of Internal Audit. Worcestershire Internal Audit Shared Service provides this service and will be reported to the Committee in July 2024 on the work undertaken during 2023/24.

Shropshire Fire and Rescue Service's 'Assurance Statements' have then been reviewed in light of this report and the various audit reports received

from Internal Audit over the last year. Together these have formed the basis of the AGS 2023/24 and the associated 2024/25 Improvement Plan.

Members are asked to consider and approve the AGS 2023/24 and the Improvement Plan 2024/25, attached at Appendices B and C respectively, for inclusion in the 2023/24 Statement of Accounts.

Monitoring Progress against the AGS Improvement Plan 2023/24

The Committee will receive regular reports on progress made against the Plan throughout its life. As is the case with most plans, the activities included within it are often subject to change. This can be as a result of changes in the external environment that guides the Service's work, as well as the internal environment that dictates whether the Service has the capacity to achieve its stated objectives.

To ensure there is control over any slippage, the officers responsible for delivering this work must obtain approval from the Service Management Team, if they require any variations to the current Improvement Plan. Any such changes will also be reported to the Committee.

6 Conclusions

The Committee is asked to agree the AGS 2023/24 and 2024/25 Improvement Plan for inclusion in the 2023/24 Statement of Accounts and note the progress made on the 2023/24 Improvement Plan.

7 Financial Implications

Any significant budgetary implications, brought about by the improvements proposed in the Improvement Plan, have already been considered, either as part of the Fire Authority's budget planning process or within each Department's business planning process.

8 Legal Comment

The AGS is a legal requirement under the Code of Practice on Local Authority Accounting in the United Kingdom and must be included in the Fire Authority's Annual Statement of Accounts

9 Equality Impact Assessment

There are no equality or diversity implications arising from this report. An e-EQIA is not, therefore, required.

10 Appendices

Appendix A
2023/24 Improvement Plan (Close down)

Appendix B
Draft Annual Governance Statement 2023/24

Appendix C

11 Background Papers

There are no background papers associated with this report.

Annual Governance Statement Improvement Plan 2023/24 (Close down)

Area of Review		Improvement Required	Lead Officers	Internal Board reported to	Progress to date	Reporting Year
People	1	Implement the actions identified in the On-Call Sustainability Review through the delivery of the On Call Sustainability Project.	Alec Thomas	New Ways of Working Board (NWOW)	Continued delay for mobile data (LTE-M) network coverage has led to alternative options of device functionality to be tested. This will then be taken for decision of which features remain with a view to end the delays and launch the devices. Further information will confirm the decision and give clarity on the primary alerting method (new alerting device) and FSR Application (App) use. By ending the delays, we can progress the Alerting Application Programming Interface (API) launch to other stations. The 200 users of the FSR Alerting App can then have the best interface and this will move forward from a trial to a paid for service. All On-call staff can use this feature as a secondary alerting method (primary being the usual alerting method). On-call contract briefings due to be complete 04/07/24. There has been a national pay offer since	23/24

					the briefings started. This is being factored into the consultation and progress. No adverse impact anticipated.	
People	2	Implementation of fitness support facilities via the refurbishment programme.	Marc Millward Chris White	New Ways of Working Board (NWOW)	Introduction and installation of the first 'stand-alone' fitness building, at Baschurch, to be completed in June/July. Feasibility Study review to be carried out upon completion to determine need across other stations.	23/24
Process	3	Through the Service Programme Board continue to replace paper-based processes with streamlined electronic workflows.	Ged Edwards	Systems Governance Group (SGG)	Successfully appointed Service Desk Technician started in May, filling vacant post from October 2023. Further recruitment still required to build capacity for delivery of large projects such as C&C implementation. Programme of delivery overseen by SGG following appointment of Business Analyst.	23/24
Systems/ Infrastructure	4	Continual improvement of network security to a standard for adopting the implementation of the Emergency Service Network that guards against cyber threats and minimises disruption to daily operations. Enhance the workflows in Fire Service Rota (FSR) to incorporate as many pay elements as possible so that	Sally Edwards Alec Thomas Marc Millward	Service Management Team (SMT) On Call Sustainability (OCS) Board	Further analysis of Security Operations Centre (SOC) continues, and proof of concept is planned after Telford building project is complete, to ensure resources are available to fully evaluate. Network security continues to be priority, some activity will fall within specific projects such as the C&C implementation. Further automated pay elements within FSR will require internal capacity to support these improvements, those beyond banded contract changes will require capacity from area command to identify elements and progress, decision at OCSP board	23/24

		manual processes are removed.				
Building Facilities	5	Deliver the property capital schemes including the Telford Central Fire Station redevelopment project. Introduce improvements to station access and security at all SFRS sites. Review training facilities across the estate and consider feasibility study outcomes.	Andrew Kelcey Sally Edwards Adam Matthews	Telford Programme Board	Telford works are ongoing, with a building handover expected in June and full completion in September 2024. Some medium-term works have been completed on Training Facilities. Longer-term facility requirements will be considered when Telford is complete, and a wider training facilities/delivery method has been agreed. A modular fitness assessment facility is in build for installation at Baschurch.	23/24
Appliances/ Equipment	6	Deliver the fleet and equipment strategy to include the introduction of new pumping and specialist appliances.	Scott Hurford Andrew Kelcey	Operations Board	See Item 8 for update on Resource review. Orders have been placed for 8 pumping appliances as direct replacement for those reaching the end of their lives. These appliances are currently in build with Emergency One.	23/24
Collaboration	7	Oversee the replacement of the new Command and Control (C&C) system.	Ged Edwards	C&C Project Board	A draft implementation plan has now been provided by Motorola for the Service to determine internal resource requirements. The current estimated go live is scheduled for June 2025. An output specification document for the replacement of MDT's is currently being developed prior to tender through a government framework.	23/24

Operations	8	Undertake an operations resource and capability review to support the next Community Risk Management Plan (CRMP) which will come into effect in 2025.	Guy Williams	SMT	The draft CRMP will now be presented to the CFA in September before going out to public consultation in the autumn of 2024, this move was necessary to avoid a clash with the HMICFRS audit of June and July 2024. Analysis has been completed, new ACFO Burton will assess options with CRMP Team and CFA.	23/24
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Draft Annual Governance Statement 2023/24

To accompany the Statement of Accounts 2023/24.

Scope of Responsibility

Shropshire and Wrekin Fire and Rescue Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, used economically, efficiently and effectively.

The Fire Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Fire Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Fire Authority has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA / SOLACE Framework 'Delivering Good Governance in Local Government 2016'.

This Statement explains how the Fire Authority has complied with the Code and meets the requirements of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement.

The Accounts and Audit (Amendment) Regulation 2021 was passed to amend the dates by which the Statement of Accounts must be approved and published.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values, by which the Fire Authority is directed and controlled, and the activities through which it accounts to, engages with, and leads the community. It enables the Fire Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and 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 Shropshire and Wrekin Fire and Rescue Authority'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 efficiently, effectively and economically.

The governance framework has been in place at Shropshire and Wrekin Fire and Rescue Authority for the period of the 2023/24 accounts and up to the date of approval of the Annual Report and Statement of Accounts.

The Governance Framework

The Fire Authority's governance framework comprises many systems, policies, procedures and operations in place to:

- identify and communicate the Authority's vision of its purpose and intended outcomes for citizens and service users;
- review the Authority's vision and its implications for the Authority's governance arrangements;
- define and document the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the Authority and partnership arrangements;
- develop, communicate and embed codes of conduct, which define the standards of behaviour for members and staff;
- review and update standing orders, standing financial instructions, the scheme of delegation and supporting procedure notes / manuals, which clearly define how decisions are taken and the processes and controls required to manage risks;
- ensure the Authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) and, where they do not, explain why and how they deliver the same impact;
- ensure effective counter fraud and anti-corruption arrangements are developed and maintained in accordance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014)
- undertake the core functions of an audit committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities (2018);
- ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
- ensure the Authority's assurance arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019) and, where they do not explain why and how they deliver the same impact;
- enable whistleblowing and the receiving and investigating of complaints from the public;
- identify the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training;

- establish clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation; and
- ensure good governance arrangements in respect of partnerships and other joint working and reflecting these in the Authority's overall governance arrangements.

Review of Effectiveness

The 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 executive managers within the Authority, who have overall responsibility for the development and maintenance of the governance environment, as well as:

- the Treasurer;
- the Fire Authority's Monitoring Officer;
- Legal advisors to the Fire Authority;
- Internal Auditors; and
- Managers within the Fire Authority, who have day-to-day responsibility for ensuring the governance framework is functioning correctly.

Comments made by the External Auditors and other review agencies and inspectorates in their Annual Audit Letters and other reports also contribute to this review.

Throughout 2023/24 the Fire Authority has maintained, reviewed and improved its system of internal control in a number of ways. In particular:

- a) The Authority continues to monitor expenditure for all capital schemes;
- b) Ongoing review of the Authority's employment policies is undertaken and, where necessary, policies are modified or created to ensure compliance with all applicable legislation;
- c) The Service Transformation Programme, which includes Community Risk Management Planning (CRMP) Projects and activities that Service Managers believe will deliver a sustainable service to the community into the future. Central to the Programme will be the continued investment in technology and systems to improve back-office efficiency and provide operations with technology to improve service delivery. The Programme, which dovetails into the Service's Financial and Service planning processes, will ensure that the appropriate level of control and visibility of all projects, reviews and activities are maintained throughout the lifecycle of the Programme.
- d) The Service has continued to invest significantly in its Information and Communications Technology and command and control infrastructure.
- e) The Fire Authority has received and/or adopted:
 - Statement of Accounts 2022/23;
 - Annual Plan 2023/24;
 - Annual Audit Letter 2022/23;
 - Budget Monitoring reports;
 - Service Measures Performance reports;
 - The Service Plan 2021/25, strategy and budget.

- f) The Fire Authority's Service Management Team of officers carries out a continuous assessment of the implementation of policies and procedures throughout the organisation, including following up on progress made towards last year's Improvement Plan.
- g) Internal audits have been undertaken with several planned reviews of systems and internal control procedures across a range of functions in the Fire Authority. Each review contains an opinion on the internal controls in place and any weaknesses result in recommendations for improvement, which are agreed and implemented by management. Progress against these recommendations is monitored by the Risk Management Group, with regular reports to the Service Management Team and to the Standards, Audit and Performance Committee.
- h) Audits completed by Internal Audit during 2023/24 related to:
 - Finance - Creditors;
 - Finance - Main Ledger;
 - Payroll and Pensions;
 - Business Continuity;
 - Community Engagement and Safety;
 - Procurement & Projects;
 - Fleet Maintenance;
 - Stores – Asset Disposal;
 - Leave Arrangements.

Based on the work undertaken and management responses received, the Head of Internal Audit has offered reasonable assurance for the 2023/24 year that the Authority's framework for governance, risk management and internal control processes is sound and working effectively.

Generally, risks are well managed and 2023/24 has continued to see progress in the embedding of key business system changes. Whilst there are no known concerns around the IT environment, this aspect has not been reviewed in the current year.

Internal Audit will be conducting audits in the following areas during 2024/25:

- Debtors;
- Data Quality;
- Corporate Health and Safety;
- Procurement and Contract Management;
- IT Security, Network Resilience and Cyber Security;
- HR – Starters, Leavers and Movers;
- Absence Management;
- Workforce Development.

The Role of the Chief Financial Officer

The Authority is compliant with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

A Service Level Agreement has been put in place between Shropshire Council and Shropshire and Wrekin Fire and Rescue Authority, for the provision of financial advice and representation.

Shropshire Council's Executive Director of Resources acts as Treasurer to Shropshire and Wrekin Fire and Rescue Authority to ensure the sound administration of the financial affairs of the Authority, as required by the statutory duties associated with section 151 of the Local Government Act 1972, the Local Government Finance Act 1988 and the Accounts and Audit Regulations 2015.

The Chief Financial Officer's role is discharged through:

- Provision of advice and support on application of accounting policies and procedures and adherence to International Financial Reporting Standards.
- Attendance by the Treasurer or nominated representative at the following statutory meetings held with Fire Authority Members:
 - Meetings of the Fire and Rescue Authority;
 - Meetings of the Strategy and Resources Committee; and
 - Meetings of the Standards, Audit and Performance Committee.
- Regular Chair's briefings and internal meetings, as well as regular liaison with the internal Head of Finance (Deputy Section 151 Officer), and the internal Fire Authority Finance Team.

In addition to the provision of section 151 duties, Shropshire Council provides access to a number of services, for example the Fire Authority's Finance Team will have direct access to the Council's Financial Forward Planning Team and can provide resilience and development through staff rotation and secondments.

The Council endeavours to consult with the Fire Authority on any key or principal decisions, outside the formal services agreed within the service level agreement.

CIPFA Financial Management Code

The CIPFA Financial Management Code (the FM Code) is designed to support good practice in financial management and assist in demonstrating the Fire Authority's financial sustainability. Compliance with the FM Code is the collective responsibility of elected members, the Chief Finance Officer and the senior leadership of the organisation.

The way compliance with the FM Code is demonstrated should be proportionate to the circumstances of each local authority.

The six principles of good financial management have been developed to focus on an approach which will determine whether, in applying the standards of financial management, a local authority is financially sustainable. The principles are:

Organisational Leadership – demonstrating clear strategic direction based on a vision where financial management is embedded into organisational culture

Accountability – medium term financial planning that drives the annual budget process and is supported by effective risk management, quality supporting data and whole life costs

Transparency – financial management is undertaken with transparency, using consistent meaning and understandable data, reported frequently with evidence of officer action and elected member decision making

Standards – adherence to professional standards is promoted by the leadership team and evidenced

Assurance – sources of assurance are recognised as an effective tool for financial management, including political scrutiny and the results of internal and external audit and inspection

Sustainability – long term sustainability of services is at the centre of all financial management processes and is evidenced by prudent use of public resources.

The Authority has demonstrated a sound system of financial management which is evidenced by a number of internal and external inspections, including Grant Thornton and Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS). Officers will continue to work with members and partners to identify and improve performance against the principles detailed within the FM Code.

Significant Internal Control Issues

No significant issues were raised in the External Auditor's Annual Audit Letter 2022/23. The relatively minor points arising from these reviews are being used to enhance the existing system of controls.

The Fire Authority undertook a review of its systems of internal control, which underpin its governance framework, between January and March 2024. An Annual Governance Statement (AGS) Improvement Plan 2024/25 has been produced, based on the findings from this process. Progress made against the Plan will be monitored by the Risk Management Group, with regular progress reports to the Fire Authority's Standards, Audit and Performance Committee and the Service's Service Management Team.

A summary of the areas for further development, contained in the AGS Improvement Plan 2024/25, is given below.

People

Implement the actions identified in the On-Call Sustainability Review through the delivery of the OCS Project.

Implementation of fitness support facilities via the refurbishment programme.

Feasibility Study (station fitness provision) to be reviewed following the introduction of stand-alone facility at Baschurch.

Processes

Through the Service Programme Board continue to replace paper-based processes with streamlined electronic workflows.

Systems/IT Infrastructure

Continual improvement of network security to a standard for adopting the implementation of the Emergency Service Network that guards against cyber threats and minimises disruption to daily operations.

Enhance the workflows in Fire Service Rota (FSR) to incorporate as many pay elements as possible so that manual processes are removed.

Building Facilities

Deliver the property capital schemes.

Introduce improvements to station access and security at all SFRS sites.

Review training facilities across the estate and consider feasibility study outcomes.

Appliances and Equipment

Deliver the fleet and equipment strategy to include the introduction of new pumping and specialist appliances.

Collaboration

Oversee the replacement of the new Command and Control system.

Operations

Undertake an operations resource and capability review to support the next Community Risk Management Plan (CRMP) which will come into effect in 2025.

Signed:		
Cllr Kevin Pardy	Simon Hardiman	James Walton
Chair of Standards, Audit and Performance Committee	Chief Fire Officer	Treasurer

Annual Governance Statement Improvement Plan 2024/25

Area of Review		Improvement Required	Lead Officers	Internal Board reported to
People	1	Implement the actions identified in the On-Call Sustainability Review through the delivery of the On Call Sustainability Project.	Alec Thomas	New Ways of Working Board (NWOW)
People	2	Implementation of fitness support facilities via the refurbishment programme. Feasibility Study (station fitness provision) to be reviewed following the introduction of stand-alone facility at Baschurch.	Marc Millward Chris White	New Ways of Working Board (NWOW)
Process	3	Through the Service Programme Board continue to replace paper-based processes with streamlined electronic workflows.	Sally Edwards	Systems Governance Group (SGG)
Systems/ Infrastructure	4	Continual improvement of network security to a standard for adopting the implementation of the Emergency Service Network that guards against cyber threats and minimises disruption to daily operations. Enhance the workflows in Fire Service Rota (FSR) to incorporate as many pay elements as possible so that manual processes are removed.	Sally Edwards Alec Thomas Marc Millward	Service Management Team (SMT) On Call Sustainability (OCS) Board
Building Facilities	5	Deliver the property capital schemes. Introduce improvements to station access and security at all SFRS sites. Review training facilities across the estate and consider feasibility study outcomes.	Andrew Kelcey Sally Edwards Mark Price	New Ways of Working Board Systems Governance Group Service Programme Board
Appliances/ Equipment	6	Deliver the fleet and equipment strategy to include the introduction of new pumping and specialist appliances.	Scott Hurford Andrew Kelcey	Operations Board

Collaboration	7	Oversee the replacement of the new Command and Control (C&C) system.	Sam Burton	C&C Project Board
Operations	8	Undertake an operations resource and capability review to support the next Community Risk Management Plan (CRMP) which will come into effect in 2025.	Sam Burton	SMT