

## REPORT OF THE CHIEF FIRE OFFICER

# STATEMENT ON INTERNAL CONTROL IMPROVEMENT PLAN

## 1 Purpose of Report

This report informs Members that the fire Authority's current 'Statement on Internal Control (SIC) Improvement Plan' is being brought to a close, providing a summary of the improvements that have been made to the Authority's control systems as a consequence. It also highlights the need for those pieces of work that remain uncompleted to be included in the new SIC Improvement Plan that will be created as a result of the Statement on Accounts in June 2006.

## 2 Recommendations

Members are asked to note:

- a) That the SIC Improvement Plan for 2005/06 is being brought to a close;
- b) The improvements made to the Fire Authority's System of Internal Control as a result of the SIC Improvement Plan 2005/06; and
- c) That those work items which remain uncompleted will be appropriately prioritised in the new SIC Improvement Plan for 2006/07.

## 3 Background

Following the production of the Fire Authority's Statement on Internal Control (SIC), the Authority formally agreed its SIC Improvement Plan for 2005/06 at its meeting in July 2005. The Plan contained the proposed actions for improvement to various elements of the Authority's system of internal control that had been identified during the SIC process. The plan was then implemented, with progress being reported to this Committee in January 2006.

## 4 SIC Improvement Plan 2005/06 – Work Completed and Closure

With the end of the financial year approaching, the Plan is now being brought to a close. Appendix A summarises the requirements specified in the Plan. It also summarises the work that has been completed in order to achieve those requirements. Three elements of the Plan remain uncompleted.



These work elements relate to:

- The creation of a 'Staff Handbook';
- The development of a 'Code of Conduct' for all staff; and
- Work on the Service's Business Continuity Planning arrangements.

The first two elements have not been completed due to the heavy workload experienced in the Human Resource Department over the last twelve months. The likelihood that this would be the case had been recognised from the outset, resulting in no fixed completion target date being included in the Improvement Plan for those activities. This was brought to the attention of Members in the progress report received in January. There is, therefore, a need for this work to be carried over into the next SIC Improvement Plan with appropriate prioritisation being given to its completion during the 2006/07 financial year.

The project dealing with the third uncompleted element, developing a Business Continuity Plan (BCP), is well under way, with the target date for completion of a draft BCP being April 2006. The Fire Authority's approval for the completed BCP will be sought at the earliest possible opportunity thereafter. It is, therefore, unlikely that this element will need to be included within the new SIC Improvement Plan for 2006/07. This Committee will be kept informed of the progress made on this project during the intervening period.

Progress towards the development of the Authority's new SIC Improvement Plan for 2006/07 will be reported to the Strategy and Resources Committee, with this Committee being responsible for its monitoring after its approval by the Fire Authority.

## **5 Legal Comment**

The SIC 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.

## **6 Financial Implications**

There are no financial implications arising from this report.

## **7 Equality and Diversity Implications**

There are no Equality or Diversity issues arising from this report.

## **8 Appendix**

Statement on Internal Control Improvement Plan 2005/06 - Closing Summary Report

## **9 Background Papers**

Shropshire and Wrekin Fire Authority  
20 July 2005 - Report 14, Final Accounts 2004/05

For further information about this report please contact Alan Taylor, Chief Fire Officer, on 01743 260201 or Andy Johnson, Head of Risk Management, on 01743 260287.

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Area of review	IRN	Improvement required	Responsible Officer	Completion date	
1. Statutory Obligations	1.1	A review of the process by which the Fire Authority identifies, complies with, and communicates the requirements of new legislation will be undertaken.	Sharon Lloyd	December 2005	<ul style="list-style-type: none"> <li>The process used to monitor and report progress against new and existing Fire Service Circulars has been reviewed;</li> <li>The Committee &amp; Administration Manager holds a monthly meeting with the Clerk to the Authority and the Deputy Monitoring Officer to ensure all relevant legislation is identified.</li> </ul>
2. Corporate Objectives	2.1	The current review of the Strategic Planning Process will be completed, taking account of the feedback received from all consultees.	Steve Worrall	July 2005	<ul style="list-style-type: none"> <li>Initial review was completed in July.</li> <li>Ongoing review in line with CPA improvement process is progressing with assistance from the Audit Commission.</li> </ul>
3. Corporate Governance	3.1	The Code of Corporate Governance will be monitored in accordance with the procedures stipulated in the Code.	Sharon Lloyd	Ongoing	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>
	3.2	A staff handbook will be developed which will include reference to the Code, thus increasing awareness of it	Lisa Vickers	Not completed.	<ul style="list-style-type: none"> <li>This work is being incorporated into the HR departments' performance planning for 2006/07.</li> </ul>
	3.2	Awareness of the Code will be included in future initial Member training.	Sharon Lloyd	June 2005	<ul style="list-style-type: none"> <li>Completed</li> <li>Included in the Fire Authority handbook and Members' initial training.</li> </ul>
4. Performance Management	4.1	Existing Performance Management procedures will be modified in order to ensure the prioritised aims and objectives, set by the Strategic Planning Process, are constantly monitored and reported to the appropriate level of management.	Steve Worrall	July 2005	<ul style="list-style-type: none"> <li>Service objectives are updated and reported to Policy Group on a monthly basis</li> <li>They are also reported to the Fire Authority's Performance Management Committee on a quarterly basis.</li> </ul>



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5. Risk Management	5.1	Risk Management procedures will be embedded into all aspects of the Authority's performance management processes, in accordance with the Office of Government Commerce (OGC) guidance on Management of Risk (MoR).	Andy Johnson	July 2005	<ul style="list-style-type: none"> <li>Risk management is a standard item at all Policy Group meetings;</li> <li>Other key decision making groups/meetings have been identified. Risk management will be included as a standard agenda item on all of these meetings;</li> <li>Significant risks will be reported to the Risk Management Group (RMG)</li> </ul>
	5.2	The RMG will present bi-annual reports to the Fire Authority which will detail its most significant risks and the measures being taken to deal with them.	RMG	Ongoing	<ul style="list-style-type: none"> <li>RMG consider that rather on a bi-annual basis, Policy Group should report significant issues to the appropriate FA Committee as required</li> </ul>
	5.3	An electronic Risk Information System will be developed, that will assist the RMG in the ongoing monitoring of all business risks.	Andy Johnson	December 2005	<ul style="list-style-type: none"> <li>The Risk Register will be completed during December 2005</li> </ul>
	5.4	The RMG will identify and report to Policy Group, on new and emerging risks, so that appropriate control measures can be implemented.	RMG	Ongoing	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>
	5.5	A strategic diagnostic survey will be conducted to ascertain the extent to which risk management has been embedded into the organisation.	RMG	March 2006	<ul style="list-style-type: none"> <li>Internal Audit conducted a full audit on the organisations risk management systems during February 2006.</li> <li>The improvement areas identified will be included in the SIC Improvement Plan 2006/07</li> </ul>
6. Counter Fraud and Corruption Policy	6.1	The Counter Fraud and Corruption Policy should be embedded, monitored and reviewed.	Joanne Coadey	Ongoing	<ul style="list-style-type: none"> <li>Policy is in place</li> <li>Monitoring is ongoing</li> <li>Policy will be reviewed as part of the SIC assurance gathering process for 2005/06</li> </ul>



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7. Code of Conduct	7.1	A Code of Conduct will be developed for all staff, in line with the outcomes from the Government's consultation on this issue.	Lisa Vickers	Not completed	<ul style="list-style-type: none"> <li>This work is being incorporated into the HR departments' performance planning for 2006/07.</li> <li>This work will be conducted in liaison with the Authority's Committee &amp; Administration Manager.</li> </ul>
	7.2	A protocol for Member/Officer relations will be developed and implemented.	Sharon Lloyd	December 2005	<ul style="list-style-type: none"> <li>Completed</li> </ul>
8. Business Continuity Plans	8.1	Business Continuity Plans will be reviewed in line with the Aims and Objectives produced by the new Strategic Planning Process.	Andy Johnson	Not completed	<ul style="list-style-type: none"> <li>The organisations Service Continuity Planning arrangements are undergoing a complete review;</li> <li>A Risk Management Consultant is being used to ensure the organisation adopts best practice procedures for this important area of work.</li> </ul>
9. SIC Improvement Plan	9.1	This Improvement Plan will be implemented and monitored, with progress being reported to Policy Group and the Fire Authority on a bi-annual basis.	RMG	Ongoing	<ul style="list-style-type: none"> <li>Reporting frequency has now been increased to quarterly, inline with other performance reporting schedules;</li> <li>Monitoring is ongoing</li> </ul>

