

## Statement on Internal Control Improvement Plan 2006/07 – Closure Report

### Report of the Chief Fire Officer

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

### 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 remaining uncompleted to be included in the new SIC Improvement Plan that will be created as a result of the Statement on Accounts in June 2007.

### 2 Recommendations

Members are asked to note:

- a) That the SIC Improvement Plan for 2006/07 is being brought to a close;
- b) The improvements made to the Fire Authority's System of Internal Control as a result of this Improvement Plan; and
- c) That, if not completed by June, the unfinished work stream from this Plan will be included in the SIC Improvement Plan 2007/08.

### 3 Background

Following the production of the Fire Authority's Statement on Internal Control, the Authority formally agreed its SIC Improvement Plan for 2006/07 at its meeting in June 2006. 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 regularly reported to this Committee.



## **4 SIC Improvement Plan 2006/07 – Work Completed and Closure**

With the end of the financial year approaching, the SIC Improvement Plan 2006/07 is now being brought to a close.

The appendix to this report summarises the requirements initially specified in the Plan. It also lists the work that has been completed in order to achieve those requirements.

Members will note that all but one of the nineteen work streams has been fully completed within the life of this plan. Even in the case of the one work stream the Service has not been able to complete fully, good progress is being made. Details about this work stream are as follows.

### **Improvement Reference Number: 7.2**

The resilience of the information and communication technology back-up arrangements will be improved, including meeting the level of departmental business continuity requirements that is commensurate with the level of resources and finances made available.

As detailed in the appendix to this report, agreement has now been reached with a supplier that will enable the Telford site to be turned into what is known as a 'Mirror site' for Shrewsbury. When fully implemented, should the main servers at Shrewsbury become inoperative (either due to a fault or for planned maintenance), the servers at Telford will be able to continue to meet the Service's information technology (IT) needs with little or no loss of service. This will bring significant improvements to the resilience of the Service's IT infrastructure.

The implementation project will involve both internal and external staff. The Information and Communications Technology Manager is currently liaising with the chosen contractor and work will progress once the detailed project is defined and staff resources are available to support its implementation.

If this work is not finished by the time of publication of the next SIC Improvement Plan (June 2007), this work stream will be included in that Plan, with future progress being reported to this Committee.

## **5 Development of the SIC Improvement Plan 2007/08**

Progress towards the development of the Authority's new SIC Improvement Plan for 2007/08 will be reported to the Strategy and Resources Committee, with this Committee being responsible for its monitoring after it has received approval by the Fire Authority at its June meeting.

## **6 Financial Implications**

There are no direct financial implications arising from this report.



## 7 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.

## 8 Equality Impact Assessment

I have fully considered the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An Initial Equality Impact Assessment has not, therefore, been completed.

## 9 Appendix

SIC Improvement Plan 2006/07

## 10 Background Papers

### Shropshire and Wrekin Fire Authority

### Audit and Performance Management Committee Reports

15 June 2006 – SIC Improvement Plan Progress

7 September 2006 – Progress against the SIC Improvement Plan 2006/07

7 December 2006 - Progress against the SIC Improvement Plan 2006/07

Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

|  |   |   |   |
|--|---|---|---|
| Balanced Score Card  |   | Integrated Risk Management Planning     |   |
| Business Continuity Planning   |   | Legal                                   | * |
| Capacity   | * | Member Involvement                      | * |
| Civil Contingencies Act  |   | National Framework                      |   |
| Comprehensive Performance Assessment                                 |   | Operational Assurance                   |   |
| Efficiency Savings   |   | Retained                                |   |
| Environmental  |   | Risk and Insurance                      | * |
| Financial  |   | Staff                                   |   |
| Fire Control/Fire Link   |   | Strategic Planning                      |   |
| Information Communications and Technology                            | * | West Midlands Regional Management Board |   |
| Freedom of Information / Data Protection / Environmental Information |   | Equality Impact Assessment              | * |



## Statement on Internal Control Improvement Plan 2006/07

| Area of review          | IRN | Improvement required   | Responsible Officer | Target date |   |
|-------------------------|-----|--|---------------------|-------------|---|
| 1. Corporate Objectives | 1.1 | A review of the current consultation processes will be conducted to ensure that external stakeholders are given appropriate opportunity to comment on the Authority's Corporate Aims and Objectives. | Ged Edwards         | April 2007  | <ul style="list-style-type: none"> <li>The Authority's Performance Plan, published in June of each year, has always included a questionnaire seeking feedback from all stakeholders. This questionnaire has always sought feedback on the Authority's Strategic Aims and Objectives.</li> <li>Future Integrated Risk Management Planning and Budget Planning consultation processes will also seek feedback on this particular issue.</li> <li>This is now an ongoing business process</li> </ul>   |
| 2. Corporate Governance | 2.1 | Awareness of the Authority's Code of Corporate Governance will be increased amongst staff.   | Sharon Lloyd        | Ongoing     | <ul style="list-style-type: none"> <li>The revised Code of Corporate Governance (2006) was taken to Policy Group in May, when it was agreed that it would be raised at Watch Briefings and departmental team briefings.</li> <li>Item has also been put in the Brigade's weekly newsletter (the PINK).</li> <li>A reference to the Code of Corporate Governance is contained in the Employee Handbook. A link to the Fire Authority Handbook is given, which contains the full version of the Code.</li> <li>This is now an ongoing business process</li> </ul> |
|                         | 2.2 | The Authority's partnership procedures will be further embedded.   | Ged Edwards         | April 2007  | <ul style="list-style-type: none"> <li>This work is ongoing, with additional awareness raising of the Authority's updated Partnership risk assessment requirements being undertaken with all appropriate officers.</li> <li>The Partnership Group is now meeting on a regular basis</li> <li>This is now an ongoing business process</li> </ul>   |



| Area of review            | IRN | Improvement required   | Responsible Officer                   | Target date   |  |
|---------------------------|-----|--|---------------------------------------|---------------|--|
| 3. Performance Management | 3.1 | The Authority's performance management policies will be reviewed to ensure they meet the needs of the Authority.   | Ged Edwards                           | December 2006 | <ul style="list-style-type: none"> <li>Although the initial thought on this issue was that a Brigade Order would be required, the review has indicated that the Authority's Policy on Performance Management is adequately defined within the Authority's Performance Plan and that a separate Brigade Order would be superfluous and would, very quickly, become out of date as the Service looks to improve this area year on year.</li> <li>This work stream is complete.</li> <li>On a related issue, the Programme Office is now co-ordinating the project looking into the implementation of a new Performance Management System. The new system is likely to be functional from July 2007.</li> </ul> |
|                           | 3.2 | The Information Technology Strategy is to be reviewed to ensure it meets the requirements of Fire Service National Framework document and other local and national requirements. | Glyn Williams                         | April 2007    | <ul style="list-style-type: none"> <li>The Brigade Order has been reviewed, amended and published.</li> <li>This work stream is complete</li> </ul>  |
| 4. Risk Management        | 4.1 | The Risk Management Protocol document will be reviewed to ensure it meets the requirements of the Authority's maturing risk management procedures.                               | Andy Johnson                          | July 2006     | <ul style="list-style-type: none"> <li>A review of the Brigade Order was completed with appropriate amendments made and the new Order published</li> <li>This work stream is complete</li> </ul>   |
|                           | 4.2 | Departmental Risk Registers will be created in collaboration with Heads of Departments   | Andy Johnson/<br>Heads of Departments | April 2007    | <ul style="list-style-type: none"> <li>All Departmental Business Plans include a section highlighting the risks to which that Plan is exposed and the control measures in place to limit those risks.</li> <li>The creation of formal Departmental Risk Registers has now been integrated into the Statement on Internal Control Assurance Gathering Process.</li> <li>This has resulted in all Heads of Departments having their own risk registers, which will form a part of their ongoing business processes</li> </ul>  |



| Area of review             | IRN | Improvement required  | Responsible Officer            | Target date   |   |
|----------------------------|-----|---|--------------------------------|---------------|---|
| 4. Risk Management (cont.) | 4.3 | All relevant staff will receive appropriate training in risk management.  | Andy Johnson                   | Ongoing       | <ul style="list-style-type: none"> <li>• Policy Group Members and Councillor Allen received training at the end of March</li> <li>• Fire Authority training session held during their Annual Meeting in July.</li> <li>• The Treasurer, Corporate Services Manager and Risk/Audit Member Champion attended a training seminar held by Marsh Ltd in Cardiff in October</li> <li>• Policy Group and Middle Managers have received awareness training on the Authority's new Business Continuity Manual</li> <li>• This is now an ongoing business process</li> </ul>  |
|                            | 4.4 | Additional information on risk identification in Partnership working will be included in Partnership Procedures.                          | Andy Johnson/<br>Ged Edwards   | July 2006     | <ul style="list-style-type: none"> <li>• The Brigade Order has been reviewed, amended and published.</li> <li>• This work stream is complete</li> </ul>   |
|                            | 4.5 | A Risk Management newsletter will be developed to raise awareness amongst all staff about risk management issues.                         | Risk Management Group          | December 2006 | <ul style="list-style-type: none"> <li>• A leaflet has been developed, in collaboration with Telford &amp; Wrekin Council, which summarises the Authority's Corporate Risk Management processes for Managers in the Service. This is being used to raise awareness amongst staff.</li> <li>• A new 'Risk Management Newsletter' has been developed and published with the PINK. This will be published on a regular basis, with a view to raising general awareness of staff to all matters relating to risk.</li> <li>• A reference to Risk Management has been included in the new Staff Handbook</li> <li>• This is now an ongoing business process</li> </ul> |
|                            | 4.6 | The ongoing work to integrate the Authority's risk management processes with its budgetary reserves planning processes will be completed. | Andy Johnson/<br>Joanne Coadey | February 2007 | <ul style="list-style-type: none"> <li>• Information on the potential financial impact of the various corporate risks to which the Authority is exposed has been included within the Budgetary Reserves calculation.</li> <li>• This liaison will form an integral part of the Authority's annual Budget Planning Process.</li> <li>• This is now an ongoing business process</li> </ul>  |



| Area of review                      | IRN | Improvement required   | Responsible Officer | Target date |   |
|-------------------------------------|-----|--|---------------------|-------------|---|
| 4. Risk Management (cont.)          | 4.7 | Use of the corporate risk register to capture and manage 'opportunities' will be further explored. | Andy Johnson        | April 2007  | <ul style="list-style-type: none"> <li>• Risk register now contains three 'opportunities'.</li> <li>• The inclusion of 'Opportunities' within the Risk Register has been assessed by both Internal and External Audit and is considered appropriate.</li> <li>• This is now an ongoing business process</li> </ul>  |
| 5. Anti-Fraud and Corruption Policy | 5.1 | Awareness of the Authority's Anti-Fraud and Corruption policies will be increased amongst staff.   | Joanne Coadey       | Ongoing     | <ul style="list-style-type: none"> <li>• Strategy circulated to all staff via the PINK on 21 July 2006</li> <li>• This is an ongoing business process</li> </ul>  |
| 6. Code of Conduct                  | 6.1 | Code of Conduct will be developed for all staff.   | Lisa Vickers        | July 2006   | <ul style="list-style-type: none"> <li>• Brigade Order has been written and published</li> <li>• This work stream is complete</li> </ul>  |
|                                     | 6.2 | A Staff Handbook will be developed   | Lisa Vickers        | April 2007  | <ul style="list-style-type: none"> <li>• The Handbook is being presented to Policy Group on 28<sup>th</sup> March.</li> <li>• Although the document has been developed to be predominantly Intranet based, approximately 60 copies will be distributed to all stations and departments in the Service, to ensure that all staff have access to a hard copy.</li> <li>• This work stream is complete</li> </ul>  |
| 7. Business Continuity              | 7.1 | The Authority's Business Continuity Plan will be approved by the Authority.                        | Andy Johnson        | July 2006   | <ul style="list-style-type: none"> <li>• The Authority's first Business Continuity Manual (BCM) has been approved and published.</li> <li>• Initial awareness training with Policy Group members and other Middle Managers is now complete.</li> <li>• The draft Flu Pandemic Plan is being reviewed to bring it in line with the structures detailed in the BCM</li> <li>• Testing and maintenance of the BCM is now an ongoing business process.</li> </ul> |



| Area of review                                    | IRN | Improvement required   | Responsible Officer   | Target date   |  |
|---|-----|--|-----------------------|---------------|--|
| 7. Business Continuity (cont.)                    | 7.2 | The resilience of the information and communication technology back-up arrangements will be improved, including meeting the level of departmental business continuity requirements that is commensurate with the level of resources and finances made available. | Glyn Williams         | December 2006 | <ul style="list-style-type: none"> <li>The Head of Information and Communications Technology has completed liaison with an external company looking at improving Telford site Domain issues.</li> <li>Agreement has been reached on the implementation of a Telford 'Mirror site'. This work will be undertaken in collaboration with the suppliers and will result in significant improvements to the Service's whole IT infrastructure.</li> </ul>   |
| 8. Assurance Framework                            | 8.1 | The various methods used to provide assurance in the Authority will be reviewed and an overarching assurance framework will be developed.  | Risk Management Group | July 2006     | <ul style="list-style-type: none"> <li>A review of the Assurance Gathering Process, used within the SIC Process, has been conducted by the Head of Risk Management and Treasurer.</li> <li>Recommendations for change to the process were approved by Policy Group in September</li> <li>The revised SIC Assurance Gathering Process is now in the process of being used to assist in the drafting of the next SIC Improvement Plan.</li> <li>This is now an ongoing business process</li> </ul> |
| 9. Statement on Internal Control Improvement Plan | 9.1 | This Improvement Plan will be implemented and monitored, with progress being regularly reported to Policy Group and the Audit and Performance Management Committee.  | Risk Management Group | Ongoing       | <ul style="list-style-type: none"> <li>Report to Policy Group – August 2006</li> <li>Report to Audit and Performance Management Committee – September 2006</li> <li>Report to Policy Group – December 2006</li> <li>Report to Audit and Performance Management Committee – December 2006</li> <li>Closure report to Policy Group – March 2007</li> <li>This report formally closes the monitoring process.</li> </ul>  |

