



# Annual Governance Statement 2018/19

# Delivering Good Governance Framework

The CIPFA/Solace Delivering Good Governance in Local Government Framework (2016) (the Framework) requires the Fire and Rescue Authority to publish an Annual Governance Statement, and to be responsible for ensuring that:

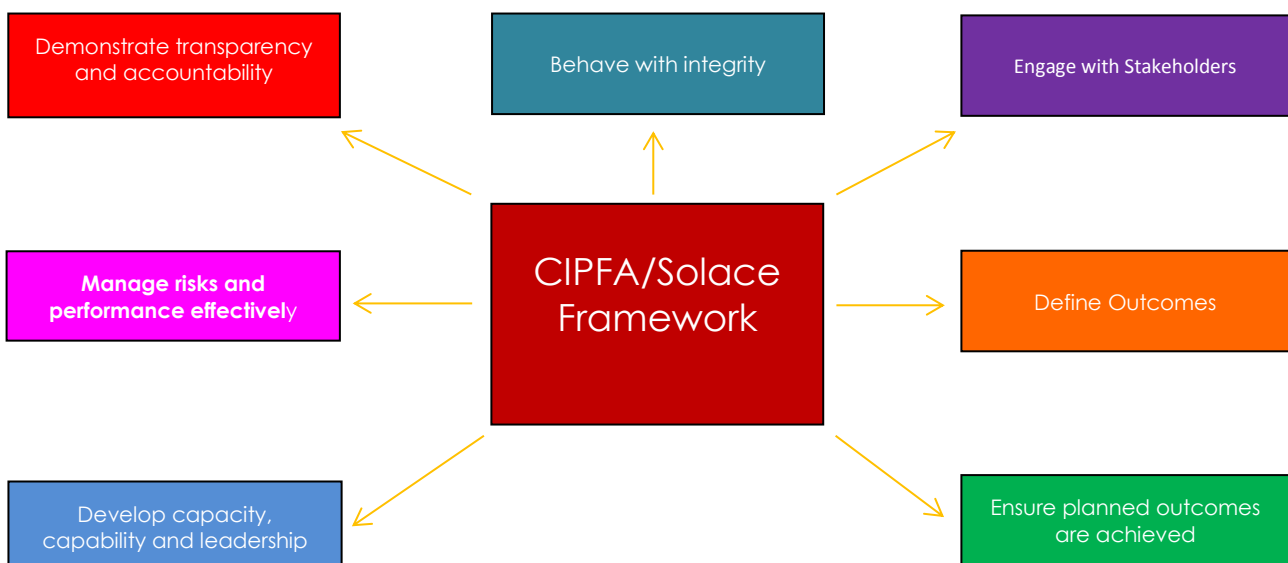
- business is conducted in accordance with all relevant laws and regulations;
- public money is safeguarded and properly accounted for ; and
- resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people.

To fulfil its wide range of functions, the Authority must satisfy a range of political, economic, social and environmental objectives over the short, medium and longer term. This subjects it to a different set of external and internal constraints and incentives from those found in the private sector, all of which affect its governance arrangements. A key piece of legislation in Wales is the Well-being of Future Generations (Wales) Act 2015, which requires the Authority to consider the longer term in making its decisions and to work collaboratively with other public bodies to improve well-being in Wales.

Stakeholders are, therefore, interested in issues such as:

- whether the Authority's planned outputs have been delivered and outcomes achieved; and
- whether this has been done in an efficient, economic, effective and equitable manner.

The core principles underpinning the CIPFA/Solace Framework are set out below. The following pages detail how the Authority is meeting these principles.



## Summary: Governance Arrangements

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The Authority is required to review the effectiveness of its arrangements each year to ensure that there is a sound system of governance. The key contributors to this process are summarised on page 10 and include:

- Regularly reviewing the effectiveness of the Authority's Constitution.
- Having an Authority and committee structure that:
  - monitors the effectiveness of risk management arrangements;
  - regularly reviews the governance arrangements;
  - considers and reviews internal and external audit strategies, plans and reports; and
  - reviews, scrutinises and approves the annual statement of accounts.
- Having an Executive Group that:
  - provides leadership on governance;
  - contributes to the completion and review of the Annual Governance Statement; and
  - provides clear direction to the Service and senior managers.
- The use of information from various sources to inform the governance arrangements, for example:
  - performance reports;
  - risk management arrangements;
  - external regulator reports; and
  - the Internal Audit Annual Report.

Achievements against the core principles are set out within pages 3 – 9. The Authority's agreed improvement actions for 2017/18 are contained on page 11, which confirms the progress made.

### **Actions for 2019/20 and monitoring arrangements**

The action plan for 2019/20 is set out in Appendix A, which will be monitored quarterly by the Executive Group.

## Core Principles

**Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

- The Constitution sets out the responsibilities of the Fire and Rescue Authority and its committees and includes the Scheme of Delegation to Officers.
- The Monitoring Officer ensures that decisions taken are within the law and comply with the provisions of the Constitution.
- The Constitution includes the Code of Conduct for Members and this is monitored by the Standards Committee. In 2018/19 the Standards Committee agreed to review all the codes and protocols within the Constitution to ensure that they are up to date and remain pertinent. It agreed a timetable to achieve this within two years. Members reviewed the revised protocol for receiving gifts and hospitality and the Member/Employee Relations protocol. Both these protocols are included in the revised Constitution.
- Where necessary legal advice is sought to inform decision making.
- Codes of Conduct for Members and Officers are in place, which requires the declaration of business interests and recording of the receipt of gifts and/or hospitality.
- The Authority has a procedure to receive and respond to any complaints received. A summary report of complaints and appreciations is provided to the Fire and Rescue Authority annually.
- Key policies are in place to prevent and minimise the risk of fraud. Policies include: Whistleblowing Policy, Anti-Fraud and Corruption Policy and Financial Regulations and Contract Procedure Rules. Where irregularity is suspected arrangements are in place to ensure that it is thoroughly investigated.
- The recruitment policy, induction and training processes incorporate personal behaviours with ethical values. The core values of the Service are fully embedded and include; service to the community, people, diversity and improvement.
- Disciplinary cases and any allegations of wrongdoing are investigated in accordance with the Service's Discipline Handbook.
- A Strategic Equality Plan is published in compliance with the Equality Act 2010. Equality objectives are reviewed annually and monitored throughout the year.
- As part of our commitment to the Welsh language, all new members of staff are required to achieve a minimum of Level 2 Welsh language skills.
- The Improvement and Well-being Plan is published on the Authority's website. This details the improvement objectives as required by the Local Government (Wales) Measure 2009, and well-being objectives in accordance with the Well-being of Future Generations (Wales) Act 2015.

## Core Principles

### Ensuring openness and comprehensive stakeholder engagement

- All meetings are advertised and open to the public and full Authority meetings are webcast. Agendas and papers are available on the Authority's website.
- Information is published on the Authority's website as part of the publication scheme. The Improvement and Well-being Plan sets out the objectives for the Authority following consultation with the public and other key stakeholders. The Plan is approved by the Authority.
- Public consultation arrangements are in place to invite the views of stakeholders prior to developing and implementing key changes.
- The commitment to openness is also shown through:
  - impact assessments are completed for all key decisions;
  - the Corporate Communications Strategy 2016-2019: Putting People First;
  - the Complaints and Compliments Procedure which includes Authority reporting arrangements;
  - the Public Engagement and Consultation Strategy (presented to the July 2018 meeting of the Executive Panel)
  - agreed Well-being objectives;
  - engagement with Employee Representative Bodies;
  - membership of the North Wales Equality Group; and
  - easy read/read speak/Welsh versions of documents on the website.
- A variety of engagement methods are used including:
  - Directed communication using social media, with accounts on Facebook and Twitter;
  - Engagement with young people via the Phoenix programme;
  - Community Safety engagement with householders and businesses;
  - Taster days for firefighter recruitment;
  - Quarterly bulletin available on the website;
  - Internal communications include the Weekly Brief and Y Fflam newsletter; and
  - Participation in the Local Resilience Forum's Warning and Informing Group including an agreement to retweet messages to reach a wider audience.
- Partnership arrangements are in place to deliver certain outcomes. For example, Principal Officers attend the four local Public Services Boards and the Regional Partnership Board. The Principal Officers also participate in the Emergency Services Collaboration Board and undertake joint training and exercises.
- The Campaign Steering Group, led by the Community Safety Managers prioritises public media campaigns.

## Core Principles

### Defining outcomes in terms of sustainable economic, social, and environmental benefits

- The Improvement and Well-being Plan sets the strategic direction for the Authority and details the improvement objectives in accordance with the Local Government (Wales) Measure 2009, and well-being objectives in accordance with the Well-being of Future Generations (Wales) Act 2015.
- The Service has four core values – People, Diversity, Improvement and Services to the Community. These summarise the principles and personal values that staff are encouraged to adopt and demonstrate.
- The Service has a statutory duty to put in place business continuity arrangements. Plans across the Service have been updated along with the underpinning policy, procedures and guidance. There is ongoing collaboration with the other fire and rescue services in Wales to improve planning and consider current risks. The National Issues Committee includes a business continuity work stream.
- The Medium Term Financial Strategy (MTFS) and annual budget process ensures that financial resources are directed to the Authority's priorities. The budget setting process considers revenue and capital requirements using business planning and forecasting models.
- Partnership working is undertaken where there are shared objectives and advantages from working together. For example, the Strategic Arson Reduction Board includes partners from the three fire and rescue services and police forces in Wales, the Met Office, the National Probation Service, Natural Resources Wales, Public Health Wales, Welsh Government and Welsh Local Government Association. The Wales Arson Reduction Strategy (version 4) has been issued.
- The Strategic Risk Management Policy sets out the process used to identify and control exposure to uncertainty, which may impact on the achievement of the objectives or activities. This is reviewed throughout the year to ensure that risks are identified and appropriately assessed. The Corporate Risk Register records these risks, and they are regularly monitored and reported to the Executive Panel.
- The Wales Fire and Rescue Procurement Strategy 2016/2021 sets out the procurement strategic objectives and documents the areas for development to ensure the Welsh Procurement Policy Statement Principles are met.
- Key decisions are subject to an integrated impact assessment, which takes account of equality, protection, health, safety and wellbeing, Welsh language, finance, sustainability and staffing, Well-being of Future Generations (Wales) Act 2015.

## Core Principles

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### Determining the interventions necessary to optimise the achievement of the intended outcomes

- Public consultation is carried out as part of setting the Authority's annual objectives which are set out in the Improvement and Well-being Plan. This outlines how the Authority intends to work together with other public bodies to tackle the complex issues that affect people's lives. An Assessment of the Authority's performance is produced in October each year and published.
- The Authority's Strategic Risk Management Policy sets out the process used to identify and control exposure to uncertainty, which may impact on the achievement of the objectives or activities. This is reviewed throughout the year to ensure that risks are appropriately managed.
- Following scrutiny from senior managers, performance and financial reports are presented to the Authority and its committees. Accountability meetings are held regularly with all senior managers to review objectives and budget management.
- There is a significant amount of partnership working across Wales to respond to issues facing the fire sector and other more general public sector issues. Collaboration with multiple agencies is an important aspect of the Authority's work including prevention and protection, responding to incidents and use of resources.
- The budget planning processes ensure budgets are prepared in accordance with objectives, strategies and the Medium Term Financial Strategy (MTFS). This involves input from both Service leads and Authority Members. It shows how the resources will be deployed over the next few years to deliver agreed outcomes and agreed priorities.
- The Wales Fire and Rescue Procurement Strategy 2016/2021 sets out the procurement strategic objectives. Specialist procurement advice is sought and contracts awarded in line with recognised frameworks, ensuring both value for money and that ethical principles have been followed.



## Core Principles

### Developing the entity's capacity, including the capability of its leadership and the individuals within it

- The Authority's Constitution outlines the roles of elected members and designated officers to enable shared understanding of roles and objectives. The designated posts include the Chief Fire Officer, Treasurer and Monitoring Officer.
- The Constitution also specifies the types of decisions that are delegated to officers within the Scheme of Delegation.
- The Principal Officers hold regular reviews of service delivery, performance and risk through accountability meetings.
- Collaborative and partnership working is in place regionally and nationally. Arrangements are subject to monitoring to ensure added value is achieved.
- The All Wales People and Organisational Development Strategy 2018-2021 underpins the commitment to lifelong learning and workplace competence. The strategy will ensure there is consistency in the approach to people development and support across the three fire and rescue services in Wales.
- Induction processes are in place for Members and employees. These include an introduction to the organisation's core values, the standards of conduct and the role requirements.
- The health and wellbeing of the workforce is key to the organisation and support is provided to maintain physical and mental wellbeing. This is achieved through a range of measures including HR policies and support, flexible working approach and the Occupational Health Service.
- The development needs of employees are identified through one to one, supervision and appraisal meetings.
- The Service has a dedicated training department, with competency frameworks for operational staff. Training is delivered using a variety of methods including e-learning modules which are mandatory for certain subjects e.g. Data Protection.
- Induction and training arrangements are in place to provide support to new and existing Members.
- The three fire and rescue services in Wales have held the first all Wales Fire Investigation Training Forum. This supports shared learning and promotes a consistent approach across Wales.
- Arrangements are in place for internal reviews of compliance with Service standards and health and safety requirements.



## Core Principles

### Managing risks and performance through robust internal control and strong public financial management

- The Treasurer is responsible for the proper administration of the Authority's financial affairs as required by S151 Local Government Finance Act 1992.
- The Monitoring Officer ensures compliance with established policies, procedures, laws and regulations.
- The Strategic Risk Management Policy details the process for the identification and control of risks. A corporate risk register is in place which is monitored throughout the year.
- Reports to the Authority and its committees include an integrated impact assessment to inform and support decisions.
- Business Continuity arrangements are in place to ensure that critical services can continue to be delivered at all times.
- Management arrangements ensure that recommendations for improvement made by the Internal Auditor are agreed and monitored. The Internal Audit Annual Report for 2018/19 has confirmed that there are adequate and effective control processes to manage the achievement of the Authority's objectives for the 2018/19 financial year.
- Members and senior management are provided with regular reports on service performance against key performance indicators and milestones.
- The Authority has arrangements to maintain registers of Members' personal and business interests and a register of gifts and hospitality.
- Policies for Anti-Fraud and Corruption and Whistle-blowing are in place which confirms the Authority's commitment to operating in a fair and transparent manner.
- Policies and arrangements are in place to manage the handling of data. These are the Data Protection Policy, Freedom of Information Policy, Data Retention Policy and Communications and Information Security Policy. These policies are supplemented with training and the e-learning module on data protection is mandatory for all staff.
- Robust information sharing protocols have been developed and agreed with partners.
- Robust financial management supports the delivery of services and transformational change as well as securing good stewardship. A financial update is presented to each Authority meeting, with reports available to the public on the website.
- The Treasury management arrangements follow professional practices and are reviewed annually by members.
- The Authority's Statements of Accounts are subject to scrutiny by external audit.

## Core Principles

### Implementing good practices in transparency, reporting, and audit to deliver effective accountability

- The Fire and Rescue Authority, with assistance from the Monitoring Officer, oversees and reviews the adequacy and effectiveness of the governance arrangements and internal control environment.
- Agendas and minutes of meetings are publicly available on the internet along with webcasts of the meetings (when available).
- Authority reports follow a structured format which ensures that key information is presented in a clear and consistent manner to aid decision making.
- The Authority has a publication scheme and complies with the requirements of the Information Commissioner in relation to Freedom of Information requests which ensures the public have access to information held.
- The Improvement and Well-being Plan documents the objectives of the Authority
- The Annual Statement of Accounts provides clear information on income and expenditure and demonstrates the stewardship of public money for the year. The accounts are submitted for audit by the statutory deadline of 31 May.
- The Annual Pay Policy Statement is approved and published in accordance with the Localism Act 2011. Members' salaries are paid in accordance with the Independent Remuneration Panel decisions and reported on the internet.
- Members and senior officers declare relevant interests in accordance with the Code of Practice on Local Authority Accounting in the UK. These declarations enable the Authority to identify and report any related party transactions.
- The Annual Governance Statement is provides transparency on the governance arrangements and the planned improvements for the coming year.
- The Annual Statement of Accounts and Annual Governance Statement are subject to scrutiny and approval in accordance with the Authority's Constitution.
- The Wales Audit Office is the appointed external auditor and provides an opinion on the Statement of Accounts, which is published on the Authority's website. The Authority acts on recommendations and, where necessary, takes corrective action.
- The Internal Audit arrangements include a risk based approach, which provides assurance that key risks are being managed. The Authority acts on recommendations and where necessary, takes corrective action.
- Processes are in place to ensure that recommendations from inspection and regulatory bodies are actioned.

## Key Contributors to Developing and Maintaining the Governance Framework

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Fire and Rescue Authority	Provides the strategic leadership, political interface and corporate challenge in relation to the provision of fire and rescue services across North Wales, encouraging public participation and conducting its affairs in an open and transparent manner. It agrees the Improvement and Wellbeing Plan, and the revenue and capital budgets.
Executive Panel	Monitors the performance of the Service and makes recommendations to the Authority on its key policies including the Improvement and Wellbeing Plan. The Panel reviews the strategic risk register.
Planning Working Group	Undertakes detailed work associated with the Authority's planning and budget-setting process. It submits its observations to the Executive Panel which in turn makes recommendations for improvement/risk reduction/well-being objectives to the Authority.
Audit Committee	Provides independent review of the governance, risk management and control frameworks and oversees the financial reporting, including the Treasury Management Strategy and annual accounts.
Standards Committee	Promotes and maintains high standards of conduct by Members of the Authority and oversees the whistle-blowing policy for complaints against Members of the Authority. Also, where statute permits, to receive reports and complaints about Members and to conduct or oversee investigations and make recommendations to the Authority.
Executive Group	Sets and leads the implementation of the governance standards across the Service. Receives the annual improvement plan and feeds into the annual self-assessment.
Internal Audit	Provides an annual independent and objective opinion on the adequacy and effectiveness of internal control, risk management and governance arrangements. Investigates fraud and irregularity.

## How has the Authority Addressed the Governance Improvement Actions from 2018/19?

The Annual Governance and Improvement Assessment 2018/19 contained the following improvement actions. Here is how they have been addressed:

Improvement Action	Responsibility	Progress as at March 2019
Engage and participate with the Cabinet Secretary on the Governance and Funding Arrangements of Welsh Fire and Rescue Authorities.	Chief Fire Officer and Chair	Response sent in February 2019 to the Welsh Government consultation on the White Paper. No further update has been provided by the Minister for Housing and Local Government. <b>Completed</b>
Ensure the ongoing training and development of Members of the North Wales Fire and Rescue Authority.	Chief Fire Officer	Dedicated training sessions completed prior to the Fire and Rescue Authority meetings. <b>Completed and will be ongoing as required</b>
To ensure that the Authority understands the requirements of General Data Protection Regulations (GDPR) and has taken appropriate action to provide assurance on compliance.	Assistant Chief Officer (Corporate Policy and Planning)	Reports on GDPR provided to the Executive Panel (February and July 2018), and a GDPR awareness session provided for all Authority Members in September 2018. Data Protection Officer (DPO) appointed. E-learning training to be completed by all staff by June 2019. Overarching privacy notice has been placed on the Authority's website, together with specific privacy notices for individual activities such as conducting Safe and Well Checks. A Service-wide Information Asset Register has been compiled. All contracts entered into by either the Service or the Authority involving the sharing of personal data with external organisations are currently being reviewed for GDPR compliance. All Service policies and procedures are being reviewed for GDPR compliance. <b>Completed and will be ongoing as required</b>

Improvement Action	Responsibility	Progress as at March 2019
To appoint a Clerk to the Authority/Monitoring Officer in accordance with the Authority's Constitution.	Chief Fire Officer	Tender exercise completed, contract awarded and appointment of Monitoring Officer/Clerk approved at the March 2019 meeting of the FRA. <b>Completed</b>
To review the Terms of Reference for all Committees and update as necessary to ensure that they fully meet the Governance requirements of the Authority.	Clerk to the Authority	Revised terms of reference to be reported to the June 2019 meeting of the FRA. <b>Completed</b>
To review and update the Authority's Contract Standing Orders to ensure that they provide a framework of Governance and Control in relation to the procurement of goods and services including capital expenditure.	Assistant Chief Officer (Finance and Resources)	Revised Contract Procedure Rules to be presented at the June 2019 meeting of the FRA. <b>Completed</b>
To review and update the work of the Local Pension Board.	Assistant Chief Officer (Finance and Resources)	Terms of reference updated. Training completed by members is documented in the annual report of the Local Pension Board. <b>Completed</b>

## **Governance Opinion and Conclusion**

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The Authority recognises that good governance provides the foundation for the delivery of good quality services that meet the needs of stakeholders and ensures that public money is well spent. This review confirms the governance systems and monitoring in place for 2018/19 and the steps taken to ensure that they are working effectively.

The Authority is satisfied that appropriate governance arrangements are in place and remains committed to enhancing these through the implementation of the action plan for 2019/20.

**Signed: ..... (Chair) .....2019**

**Signed: .....(Chief Fire Officer) .....2019**

## Appendix A - Governance Improvement Action Plan 2019/20

Improvement Action	Action	Responsibility	Timescale
Governance and Funding arrangements of Welsh Fire and Rescue Authorities.	Ensure that any changes to the Governance and Funding arrangements of Welsh Fire and Rescue Authorities are addressed.	CFO	Ongoing
White Fleet review	Undertake a review and update of policy, procedures and guidance for the management of white fleet vehicles; and  Revise the vehicle log system to strengthen the governance regarding vehicle tracking and management.	ACO (Finance and Resources) ACFO Operations Head of Finance Fleet Manager	March 2020
Standing Financial Instructions	Financial Regulations and Finance Policies to be reviewed in line with the CIPFA model to ensure they reflect the requirements of the Authority.	ACO (Finance and Resources) Head of Finance	March 2020
Treasurer services	Undertake procurement of Treasurer Services.	ACO (Finance and Resources)	January 2020
Review of Principal Officer structure	Review of structure and pay arrangements to ensure effective strategic management.	Monitoring Officer	March 2020
Standards of Conduct	Standards of Conduct for staff to be reviewed.	Principal Officers	March 2020
Cyber Security	Complete Cyber Essentials Plus to guard against cyber threats.	ACO (Finance and Resources) Head of ICT	March 2020



## Appendix B - Summary of the Authority's Governance Framework

### Principles of Good Governance

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Ensuring openness and comprehensive stakeholder engagement

Defining outcomes in terms of sustainable economic, social and environmental benefits

Determining the interventions necessary to optimise the achievement of the intended outcomes

Developing the Authority's capacity, including the capability of its leadership and employees

Managing risks and performance through robust internal control and strong financial management

#### Evidence Sources

- Medium Term Financial Strategy
- Financial planning
- Partnership arrangements
- HR strategy & policies
- Procurement Strategy
- Constitution
- Job descriptions
- Chief Fire Officer
- Treasurer
- Monitoring Officer
- Published reports
- Community Engagement Plan
- Communication Strategy
- Improvement and Well-being Plan
- Integrated Impact Assessments

#### Assurance Sources

- Performance reports
- Financial reports
- Democratic arrangements
- Reports from external audit and regulators
- Internal Audit reports
- Partnership boards
- Customer feedback
- Consultations

#### Members

- Fire and Rescue Authority and its committees

#### Executive

- Executive Group

#### Evidence Sources

- Leadership
- Core Values
- Equalities arrangements
- FOI arrangements
- Codes of Conduct
- Anti-fraud & Corruption Policy
- Whistle-blowing Policy
- Audit & Standards Committees
- Expert advice & guidance
- Risk management
- Internal controls
- Internal Audit service
- Information management
- Staff & elected member development
- Complaints processes

**Annual Governance & Improvement Assessment signed by Chair and Chief Fire Officer**

**Governance Improvement Action Plan reviewed quarterly by Executive Group**