

The report is Not Exempt

The report is for Decision

REPORT TO: FIRE AUTHORITY EXTRAORDINARY GENERAL MEETING
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MEETING DATE: 05 June 2019

SUBJECT: The Annual Governance Statement 2018/19

SUMMARY

<p>The Accounts and Audit (Wales) Regulations 2014 do not make reference to an Annual Governance Statement (AGS). However, in its guidance on the Accounts and Audit (Wales) Regulations 2014, the Welsh Government anticipates that relevant bodies will prepare an AGS on internal control and consider that CIPFA's Delivering Good Governance in Local Government: Framework best represents proper practices in relation to the statement of internal control which requires an AGS to be produced. The AGS 2018/19 has been prepared in accordance with the Framework and is included at Appendix 1.</p>
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RECOMMENDATIONS:

<p>That the Fire Authority approve the Annual Governance Statement for signature by the Chair of the Fire Authority and the Chief Fire Officer, for inclusion in the Statement of Accounts.</p>

REPORT APPROVAL

Clerk/Monitoring Officer:	Comments: Approved Date: 23.05.19
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Relevant Director:	Comments: Approved Date: 20.05.19
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Section 151 Officer /Treasurer:	Comments: Approved Date: 22.05.19
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Chief Fire Officer/ Deputy Chief Fire Officer	Comments: Approved Date: 23.05.19
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BACKGROUND PAPERS USED IN PREPARATION OF THIS REPORT:
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<p>The Authority's Code of Corporate Governance Accounts and Audit (Wales) Regulations 2014 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom CIPFA's Delivering Good Governance in Local Government: Framework Internal and external audit reports</p>
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Presenting the Report:	Chris Moore / Dave Daycock Section 151 Officer / Clerk and Monitoring Officer
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Report Author(s) and Designation	Sarah Mansbridge Head of Finance
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Date original report written	21/05/2019
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Mae'r Adroddiad Heb ei eithrio

Mae'r Adroddiad AR GYFER PENDERFYNIAD

**ADRODDIAD I'R: CYFARFOD CYFFREDINOL
ARBENNIG YR AWDURDOD TÂN**

**DYDDIAD Y CYFARFOD: 05
Mehfin 2019**

TESTUN: Datganiad o Gyfrifon ar gyfer 2018-19, gan gynnwys y Datganiad Llywodraethu Blynyddol

CRYNODEB:

Nid yw Rheoliadau Cyfrifon ac Archwilio (Cymru) 2014 yn cyfeirio at Ddatganiad Llywodraethu Blynyddol. Fodd bynnag, yn ei chanllawiau ar Reoliadau Cyfrifon ac Archwilio (Cymru) 2014, mae Llywodraeth Cymru yn rhagweld y bydd cyrff perthnasol yn paratoi Datganiad Llywodraethu Blynyddol ar reolaeth fewnol ac yn ystyried bod Fframwaith y Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth (CIPFA): Cyflawni Llywodraethu Da mewn Llywodraeth Leol yn cynrychioli arferion priodol orau mewn perthynas â'r datganiad rheolaeth fewnol sy'n ei gwneud yn ofynnol i lunio Datganiad Llywodraethu Blynyddol. Mae Datganiad Llywodraethu Blynyddol 2018-19 wedi cael ei baratoi yn unol â'r Fframwaith ac yn cael ei gynnwys yn Atodiad 1.

ARGYMHELLION: Bod yr Awdurdod Tân yn cymeradwyo'r Datganiad Llywodraethu Blynyddol i'w lofnodi gan Gadeirydd yr Awdurdod Tân a'r Prif Swyddog Tân er mwyn ei gynnwys yn y Datganiad o Gyfrifon.

CYMERADWYO'R ADRODDIAD

Clerc:	Sylwadau: Cymeradwywyd Dyddiad: 23.05.19
Cyfarwyddwr:	Sylwadau: Cymeradwywyd Dyddiad: 20.05.19
Cyllid/Trysorydd:	Sylwadau: Cymeradwywyd Dyddiad: 22.05.19
Prif Swyddog Tân / Dirprwy Brif Swyddog Tân	Sylwadau: Cymeradwywyd Dyddiad: 23.05.19

PAPURAU CEFNDIR A DDEFNYDDIWDY WRTH BARATOI'R ADRODDIAD HWN:

Cod Llywodraethu Corfforaethol yr Awdurdod Rheoliadau Cyfrifon ac Archwilio (Cymru) 2014
Cod Ymarfer y Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth (CIPFA) ar gyfer Cadw Cyfrifon Awdurdodau Lleol yn y Deyrnas Unedig
Fframwaith y Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth (CIPFA):
Cyflawni Llywodraethu Da mewn Llywodraeth Leol
Adroddiadau archwilio mewnol ac allanol

Yn cyflwyno'r Adroddiad:	Chris Moore / Dave Daycock Swyddog A151 / Clerc a Swyddog Monitro
Awdur(on) yr Adroddiad a'u Swyddi	Sarah Mansbridge Pennaeth Cyllid
Dyddiad yr ysgrifennwyd yr adroddiad gwreiddiol	21/05/2019

**REPORT TO THE EXTRAORDINARY GENERAL MEETING
5 JUNE 2019
THE ANNUAL GOVERNANCE STATEMENT 2018/19**

1 Summary

- 1.1 The Accounts and Audit (Wales) Regulations 2014 do not make reference to an Annual Governance Statement (AGS). However, in its guidance on the Accounts and Audit (Wales) Regulations 2014, the Welsh Government anticipates that relevant bodies will prepare an AGS on internal control and consider that CIPFA's Delivering Good Governance in Local Government: Framework best represents proper practices in relation to the statement of internal control which requires an AGS to be produced. The AGS 2018/19 has been prepared in accordance with the Framework and is included at appendix 1.

2 National/Wales Position

- 2.1 The 'Code of Practice on Local Authority Accounting in the United Kingdom' (the Code) sets out arrangements for reporting governance.
- 2.2 The production of an AGS is considered to be good practice and is undertaken by all Fire Authorities and Local Authorities in Wales.
- 2.3 As best practice, CIPFA recommends that a full draft version of the AGS should accompany the Statement of Accounts which is required to be signed and dated by the end of May by the responsible Officer.
- 2.4 CIPFA also recommends that authorities report the Statement of Accounts to members after it has been signed by the Chief Fire Officer and Chair of the Fire Authority. This will allow them to review the Statement of Accounts, together with the AGS, before or during the audit of the accounts and raise any points that may need to be addressed.

3 Mid and West Wales Fire and Rescue Service Current Position

- 3.1 MAWWFRS has prepared an AGS in accordance with CIPFA's Delivering Good Governance in Local Government: Framework and guidance in the Accounts and Audit (Wales) Regulations 2014.
- 3.2 The final AGS will accompany the audited Statement of Accounts 2018/19 and be reported to members 29th July 2019.
- 3.3 The AGS and the draft Statement of Accounts 2018/19 were provided to Wales Audit Office on 3rd June 2019.

4 Proposal

- 4.1 That the AGS is approved for signature and reported with the audited Statement of Accounts to Performance, Audit and Scrutiny Committee on 29th July 2019.

5 Financial/Procurement Implications

- 5.1 Outlined in the AGS and individual audit reports.

6 Risk Assessment/Legal Implications

- 6.1 Regulation 5(2) of the Accounts and Audit (Wales) Regulations 2014 requires authorities, at least once in a year, to carry out a review of the effectiveness of the system of internal control and include a statement on internal control, prepared in accordance with proper practices, within the Statement of Accounts. CIPFA's Delivering Good Governance in Local Government: Framework (2016) is considered by the Welsh Government to best represent proper practices in relation to the statement of internal control which requires an Annual Governance Statement to be produced.
- 6.2 The process by which this Code of Corporate Governance is maintained effects a reduction in risk for the Authority

7 Equality and Diversity Including Welsh Language

- 7.1 The Code of Corporate Governance involves the majority of the Authority's strategies and governance arrangements and as such will have been equality impact assessed in their production.

8 Human Resource and People Development

- 8.1 Considered not relevant.

9 Information and Communications Technology (ICT)

- 9.1 Considered not relevant.

10 Estates

- 10.1 Considered not relevant.

11 Service Delivery

- 11.1 Considered not relevant.

12 Fire Authority Governance

- 12.1 Under Article 7 of the Constitution it is for the Performance, Audit and Scrutiny Committee to approve and oversee the production of the Authority's Annual Governance Statement and recommend it to Authority. Due to the schedule of meetings the AGS is being presented directly to the Fire Authority. There are no governance issues regarding this procedure.

13 Consultation & Communication

- 13.1 Audits will have been undertaken in consultation with many relevant officers. Some audits will have commented on the extent of the Authority's consultation and engagement with our communities. As recommended by the Wales Audit Office (WAO), staff have had extensive involvement in the Corporate Assurance process.

14 Evaluation

- 14.1 Considered not relevant.

15 Well-being of Future Generations (Wales) Act 2015

- 15.1 The AGS process is completed having regard for the Well Being of Future Generations Wales Act. The AGS includes a Well-being Statement.

16 Data Protection and Privacy Issues

- 16.1 The report does not include personal information concerning individuals other than where information is provided as required under the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting 2017-18.

17 Recommendations

- 17.1 That the Fire Authority approve the Annual Governance Statement for signature by the Chair of the Fire Authority and the Chief Fire Officer, for inclusion in the Statement of Accounts.

Mid and West Wales Fire and Rescue Authority

ANNUAL GOVERNANCE STATEMENT

For the year ended 31st March 2019

This Statement has been prepared in accordance with guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE), the '*Delivering Good Governance in Local Government Framework*' 2016. This Annual Governance Statement explains how the Authority has complied with the framework and its seven core principles of good governance to ensure that resources are directed in accordance with agreed policy and priorities.

Scope of Responsibility

Mid and West Wales Fire and Rescue Authority is responsible for ensuring that its business is conducted in accordance with legislation and proper standards, and that public money is safeguarded and appropriately accounted for, and used economically, efficiently and effectively and to secure continuous improvement in this regard.

In discharging this accountability, Members and Senior Officers are responsible for putting in place appropriate arrangements for the governance of the Fire and Rescue Authority's affairs and the stewardship of the resources at its disposal.

Operating within a framework laid down by UK National and Welsh Government legislation, the Fire Authority discharges its functions by means of partnership working between Members of the Fire Authority and Fire Officers, operating under the guidance of the Chief Fire Officer.

Strategic leadership is given by and discharged through the Fire Authority and its various Committees, panels and working groups, which enable Members to decide on issues affecting the running of the Fire Authority, in accordance with the principles of openness and democratic accountability.

The day to day management and delivery of the Fire Service's functions is carried out by Fire Service Officers under the overall control and guidance of the Chief Fire Officer, who discharges these functions in accordance with the policy framework and the determinations of

the Fire Authority and its Committees. In so doing, the Chief Fire Officer is assisted by the Executive Board of Directors and the Executive Leadership Team.

This Statement demonstrates how the Authority has complied with the various elements of the Governance Framework.

The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Authority is directed and controlled, and by which it accounts to and engages with its communities. It enables the Authority to monitor the achievement of its corporate 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 the 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 on-going process designed to identify and prioritise risks related to the achievement of the Authority's policies, aims and objectives, evaluate the likelihood and impact should risks be realised, and efficiently, effectively and economically manage such risks.

This Statement gives assurances on compliance with Mid and West Wales Fire Authority's governance framework for the year ending 31 March 2019 and up to the date of approval of the Statement of Accounts.

Key Elements of Mid and West Wales Fire and Rescue Authority's Governance Framework

The Constitution and the key roles of those responsible for developing and maintaining the Governance Framework.

Constitution	The purpose of the Constitution is to set out in clear language how the Fire Authority works and how it makes decisions.
Fire Authority	Approves the Corporate Plan.

	<p>Approves the Constitution (including Standing Orders and Financial Regulations).</p> <p>Approves key policies and budgetary framework.</p> <p>Is the main decision-making body of the Authority.</p> <p>Comprises twenty-five Members (including the Chair).</p>
<p>Performance Audit and Scrutiny Committee</p> <p>Resource Management Committee</p>	<p>Provides independent assurance to the Fire Authority on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment.</p> <p>Promotes high standards of Member conduct.</p> <p>Makes recommendations to the Fire Authority on the approval of the Annual Statement of Accounts and Annual Governance Statement.</p> <p>Scrutinises performance.</p>
<p>Executive Board</p>	<p>Implements the policy and budgetary framework set by the Fire Authority and provides advice to the Fire Authority on the development of future policy and budgetary issues.</p> <p>Oversees the implementation of policy and service delivery.</p>
<p>Section 151 Officer</p>	<p>Ensures lawful and financially prudent decision making.</p> <p>Administration of financial affairs.</p> <p>Oversight and accountability to Members for the Fire Authority's financial governance, risk and control framework.</p> <p>Contributes to the effective corporate management and governance of the Fire Authority.</p>
<p>Monitoring Officer</p>	<p>Reports on contraventions or likely contraventions of any enactment or rule of law.</p> <p>Reports on any maladministration or injustice where the Local Government Ombudsman has carried out an investigation.</p> <p>Establishes and maintain registers of member interests and gifts and hospitality.</p> <p>Advises Members on the interpretation of the Code of Conduct for Members and Co-opted Members.</p> <p>Contributes to the effective corporate management and governance of the Fire Authority.</p>

Internal Audit	<p>Provides independent assurance and annual opinion on the adequacy and effectiveness of the Fire Authority's governance, risk management and control framework.</p> <p>Delivers an annual programme of risk-based audit activity, including counter fraud and investigation activity.</p> <p>Makes recommendations for improvements in the management of risk.</p>
Managers	<p>Responsible for developing, maintaining and implementing the Fire Authority's governance, risk and control framework.</p> <p>Contribute to the effective corporate management and governance of the Fire Authority, through monthly Senior Leadership Team meetings and Operational Response Forums.</p>

The CIPFA / SOLACE Governance Framework sets out seven fundamental principles of Corporate Governance:

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

Principle B: Ensuring openness and comprehensive stakeholder engagement.

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Principle F: Managing risks and performance through robust internal control and strong public financial management.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The Authority is committed to upholding these principles and has identified the actions necessary to meet such principles and the processes / documentation that are required to demonstrate compliance. This means the Authority can review the effectiveness of its governance arrangements.

The Authority addresses the seven Fundamental Principles through the following means:

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

Core Values

The Authority's Core Values were revised in 2016/17 in conjunction with staff, senior management and the trade unions. Our values underpin and guide the way we work, the way we improve and the way we make decisions affecting our community. We revise our vision, mission and values on an annual basis as part of our annual Corporate Budget Planning Process.

The Authority's Corporate Plan 2018-23 which clearly sets out the Authority's vision, Mission and Values; and outlines the Authority's Annual Improvement Objectives for 2018/19, was approved by the Fire Authority in February 2018, following a 12-week public consultation (between October – December 2017). The plan was published on the Authority's website on 1 April 2018.

The Constitution

The Authority adopted a new form of Constitution in the form promoted by the Welsh Assembly Government upon the modernisation of local government following the Local Government Act 2000 and this has been under constant review since then to ensure that it meets the needs of the Authority and its regulators in terms of transparency of governance, accountability and decision making.

The Constitution is published on the Authority's website and explains how the Authority operates and how it makes decisions. The Constitution is a living document and amendments are reported to the Authority for decision as and when required, following consideration of the Democratic Services Forum.

The Constitution sets out a clear statement on the respective roles and responsibilities of both Members and Officers; and clearly sets out the delegation to Officers. It also sets out the Code of Conduct for both Officers and Members and establishes a clear protocol to ensure effective communication between Members and Officers.

The Monitoring Officer

The Authority's Monitoring Officer is responsible for maintaining the Constitution to ensure that it reflects up to date legislative requirements and the Authority's governance arrangements. The Monitoring Officer plays a proactive role in supporting Members and Officers in both formal and informal settings to ensure compliance with legislative and procedural requirements.

The Monitoring Officer works closely with the Chief Fire Officer as the Head of Paid Service and the Section 151 Officer in accordance with the provision of the Local Government and Housing Act 1989 and will report to the Authority any proposal which he considers will give rise to unlawfulness.

The Monitoring Officer is responsible for the formal recording and publication of the democratic decision-making process and ensuring that all Authority meetings are open to the public and reports, minutes and audio recordings are made available online. The Monitoring Officer ensures that Members and Officers complete declarations of interest forms and related party transactions annually and maintains an up to date register of interests for both Members and Senior Officers.

The Monitoring Officer provides an effective induction programme for new Members and is also responsible for delivering the Authority's Training and Development Programme, which includes providing individual development reviews, and is revised annually to meet the needs of Members.

An All Wales Network of Monitoring Officers exists, which meets on a quarterly basis to discuss topical issues and share best practice, which the Authority's Monitoring Officer attends.

Standards Committee

The Authority's Standards Committee oversee Members standards and maintain a disciplinary process to deal with any breaches of the Code of Conduct by Members.

Published within the Authority's Constitution are the Service's Whistleblowing Policy and Anti-Fraud and Corruption Policy, which are reviewed annually by the Authority's Standards Committee.

The Standards Committee also oversee the Authority's Compliments, Complaints and Comments procedure which is reviewed by the Committee on an annual basis. A report on

the number of complaints, compliments and comments received and their outcomes are also reported to the Committee on an annual basis.

Principle B: *Ensuring openness and comprehensive stakeholder engagement.*

Effective Communication, Consultation and Engagement

The Authority has a well-established corporate planning cycle which is revised annually to ensure its effectiveness.

The Authority's Corporate Plan 2018-23 which clearly sets out the Authority's vision, Mission and Values; and outlines the Authority's Annual Improvement Objectives for 2018/19, was approved by the Fire Authority in February 2018, following a 12-week public consultation (between October – December 2017). The plan was published on the Authority's website on 1 April 2018.

The Consultation process was supported by a Communication, Consultation and Engagement Plan which was approved by the Authority in September 2017. A full report, detailing the findings and recommendations from the consultation process, was reported to the Fire Authority in February 2018, outlining how any changes as a result of the consultation process had been incorporated within the final version of the Corporate Plan 2018-23, which was subsequently published on 1 April 2018.

The Service actively participates in each of its six Public Service Boards and chairs a number of sub-group meetings. Each of the Service's 12 Annual Improvement Objectives have also been aligned to the Wellbeing Goals, with narrative to support their contribution to the goals, included within the Service's quarterly Performance and Improvement and Progress Report, which outlines the Authority's progress against each of the Authority's Improvement Objectives. This report was reported to the Authority's Performance, Audit and Scrutiny Committee (PASC) quarterly throughout 2018-19 (July 2018, October 2018, January 2019 and April 2019). The Annual Performance Assessment, which summaries the year's performance and progress (April 2018 – March 2019), will be presented to the Authority in September 2019, prior to the legislative deadline for publication of October 31st 2019.

The Service maintains a publication scheme and compliance with Freedom of Information requests within stipulated timeframes. The Service's Freedom of Information requests are managed by the Corporate Communications and Business Development department.

As detailed within the summary to Principle A, the Authority, through the appointment of the Monitoring Officer, ensures that the necessary arrangements are in place to facilitate effective communication between Officers and Members; and formal recording and publication of the democratic decision-making process.

Principle C: *Defining outcomes in terms of sustainable economic, social, and environmental benefits.*

Our commitment to the Wellbeing of Future Generation's Act (Wales) 2015

We are committed to the Wellbeing of Future Generations (Wales) Act 2015 and embrace our duties and role as a statutory partner on our six Public Service Boards.

Our Corporate Plan 2018-2023 outlines our five-year Strategic Aims and our Improvement and Well-being Objectives for 2018/2019. The plan has been developed in accordance with the requirements of the Act and ensures we consider the long-term impact of our decisions on our communities. Throughout the plan, we highlight how our Improvement and Wellbeing Objectives contribute to the Act's seven Well-being Goals. In delivering our Improvement Objectives, we will also ensure that we consider and incorporate, where appropriate, the sustainable development principle and its five ways of working.

As a statutory partner on each of our six Public Service Boards, we have played a key role in the formation of the Well-being Plans, which represent the communities of mid and west Wales. Representatives from the Service also chair a number of delivery and implementation groups across each of the six Public Service Boards, ensuring that the objectives we have all identified as priority partnership areas are successfully delivered.

The significance of the Objectives contained within each of the six Public Service Board's Wellbeing Plans, is reflected in our own Service Improvement and Wellbeing Objectives, which ensure that working with our partners to deliver better outcomes for our communities remains a priority. Not only have we considered the Well-being of Future Generations (Wales) Act 2015 in the formation of this plan, we have also embedded a number of new ways of working within the day to day running of the organisation. The 'golden thread' of the Service is greatly influenced by the Well-being of Future Generations (Wales) Act 2015. From our individual development plans, departmental strategies, through to our Corporate Plan 2018-2023, the ethos of the Well-being of Future Generations (Wales) Act 2015 is at the forefront of our planning, whether in forming new partnerships; adopting a horizon scanning approach as part of our future planning processes; or embedding the Wellbeing of Future Generations (Wales)

Act 2015 project framework within the delivery of our own corporate projects, which assures that the needs of the present will be met, without compromising our future generations.

Partnership working

The Service has a firm mechanism for collaborating with key partners and maintains a partnership strategy, along with Service Level Agreements and Memorandums of Understanding which both parties sign up to. Both contracts set out terms and conditions and the protocols of partnership working. The Partnership Register is regularly reviewed and an evaluation process is in place to monitor performance of each partner, which is conducted through regular meetings, customer evaluations, training, shadowing and mentoring.

Medium Term Financial Planning

A robust budget setting process was followed in 2018/19 which included both Officer and Member involvement. The Medium-Term Financial Plan was considered by the Fire Authority in September 2018, Resource Management Committee in November 2018, Fire Authority in December 2018, culminating in approval by the Fire Authority in February 2019.

Budget Monitoring reports, summarising the actual expenditure to date and forecast outturn were presented to the Resource Management Committee and full Fire Authority meetings throughout the year.

The 5-year Capital programme followed the same Member approval process as outlined above. A comprehensive internal exercise was undertaken by Officers to consider capital bids and funding options.

The Strategic Asset Capital Management Group meets on a quarterly basis to consider progress and expenditure to date on projects and initiatives. Monitoring reports including expenditure to date and commitments were also presented to Resource Management Committee and full Fire Authority meetings throughout the year.

The CIPFA Prudential Code 2018 introduced the requirement for Local Authorities to produce a Capital Strategy to demonstrate how Authorities take capital and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability, and affordability. The Capital Strategy 2019/20 was approved by Fire Authority in March 2019.

Principle D: *Determining the interventions necessary to optimise the achievement of the intended outcomes.*

The Authority's Elected Members are closely involved in managing performance data, which is reported at both Committee and full Authority meetings.

The Authority's Corporate Plan 2018-23 which clearly sets out the Authority's vision, Mission and Values; and outlines the Authority's Annual Improvement Objectives for 2018/19, was approved by the Fire Authority in February 2018, following a 12-week public consultation (between October – December 2017). The plan was published on the Authority's website on 1 April 2018.

The Consultation process was supported by a Communication, Consultation and Engagement Plan which was approved by the Authority in September 2017. A full report, detailing the findings and recommendations from the consultation process, was reported to the Fire Authority in February 2018, outlining how any changes as a result of the consultation process had been incorporated within the final version of the Corporate Plan 2018-23, which was subsequently published on 1 April 2018.

Quarterly monitoring reports, identifying progress and performance against the Improvement and Wellbeing Objectives, as well as the Service's strategic and key performance indicators are presented to the Performance, Audit and Scrutiny Committee. An Annual Performance Assessment, providing an overview of performance to year end, is also presented to the Fire Authority and published for annual audit by WAO.

Compliance certificates were received from WAO in respect of the publication of the Authority's Annual Performance Assessment 2017/18 (in October 2018) and the Authority's Wellbeing and Improvement Objectives for 2018/19 (on 1 April 2018).

Principle E: *Developing the entity's capacity, including the capability of its leadership and the individuals within it.*

An Investors In People Platinum Accredited Organisation

In 2018, the Service was awarded the highest accolade from the Investors In People accreditors, in the form of the Platinum Award.

Mid and West Wales Fire and Rescue Service is the only Fire and Rescue Service globally to hold the Platinum Accreditation. Of the 15,000 organisations affiliated to IIP, based in 75 different countries across the world, the Service is now part of an elite group of organisations who hold this accolade. Of all the IIP accredited organisations worldwide, only 1% have achieved the Platinum standard.

The accreditation recognises the positive endorsement of people management and development practices within Mid and West Wales Fire and Rescue Service and celebrates a culture of openness, transparency and successful leadership.

Our People

The Service maintains robust strategic workforce planning processes to ensure the Service employs the correct number of people with the necessary skill sets to meet the objectives set out in its corporate plans. Strategic workforce planning is embedded in the organisation and analysis of workforce data enables proactive identification of future staffing requirements.

The Service also maintains the Corporate Health Award requirements and biennial fitness tests are undertaken for all Operational Staff as part of the all Wales approach to operational fitness. A fitness assessment programme for operational staff is fully embedded in the Service and fitness equipment provided at all Fire Stations. Risk Critical training plans, along with Individual Development Reviews ensure people have the appropriate training and development to undertake their roles competently and safely.

The Service remains a signed-up partner to the All Wales Organisational Development Strategy with career pathways mapped out for all sectors within the organisation.

Principle F: Managing risks and performance through robust internal control and strong public financial management.

Risk Management

The Corporate Risk Department maintains the Service's Risk Management Policy and associated methodologies. The Risk Management Policy outlines roles and responsibilities for both Service Staff and Elected Members.

In order to coordinate its arrangements for matters of risk management, the Service has established a dedicated Business Risk Management Group. Chaired by the Director of Operational Support and Improvement, this group meets on a quarterly basis and also includes representation from Fire Authority Members.

Following these meetings an updated report on the Service's Business Risk Register is provided to the Performance Audit and Scrutiny Committee on a quarterly basis.

The underpinning risk ranking methodology used by the group is derived from the 2004 publication by Her Majesty's Treasury titled 'The Orange Book – Management of Risk – Principles and Concepts'.

For any risk identified on the Business Risk Register, there is a documented audit trail and rationale as to why the risk has been identified and what mitigation is in place by the Service as part of its risk control measure.

In-between Business Risk Management Group meetings, the Business Risk Register is monitored on a regular basis by the Corporate Risk Department. Should any activities be identified that are likely to influence a change in the Service's risk profile, the issue is brought to the attention of the Executive Leadership Team outside of the periodic Business Risk Management Group meetings.

Business Risk Register updates and current 'risks' are communicated to Staff as and when required, with ongoing risk management training provided by the Corporate Risk Department.

Data Protection arrangements

All Service policies and procedures are reviewed annually, and a revised Data Protection Procedure has been published to ensure compliance with the requirements of the General Data Protection Regulations.

A Data Audit has been completed to assess the data held by the Service. Data Sharing Agreements have also been reviewed to ensure compliance with General Data Protection Regulations and revised privacy notices detailing how information will be processed, stored and shared produced.

The Senior Information Risk Owner (SIRO) position for the Service, who has overall responsibility for the management of information risk, is held by the ACO Director of Resources.

The Service continues to provide an active role in Information Sharing in line with the Wales Accord on the Sharing of Personal Information (WASPI) framework.

Principle G: *Implementing good practices in transparency, reporting, and audit to deliver effective accountability.*

The Authority's Financial Procedure Rules are published within the Authority's Constitution.

The Head of Finance works closely with Internal Audit to agree work areas and the Terms of Reference for each audit. Meetings have been held to review progress and discuss report recommendations, with associated action plans being developed and reported against.

Internal Audit reports are also reported annually to the PASC and FA meetings, with progress updates on internal audits reported quarterly at PASC meetings.

Finance Training was provided to Members and the Executive Leadership Team by EY. Heads of Service and Budget Managers have received training from the Finance Team.

Finance is a standing item on the agendas for all Directorate meetings, Service Leadership Team and Executive Leadership Team meetings, which are all held monthly. Periodic reports are also considered at Fire Authority, Resource Management Committee and Performance, Audit and Scrutiny Committee.

An annual review of the Authority's Code of Corporate Governance is undertaken to ensure compliance.

Review of Effectiveness

The 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 Board, and other Senior Officers within the Authority who have responsibility for the development and maintenance of the governance environment.

The effectiveness of the governance framework draws on evidence and assurances from:

- Fire Authority
- Executive Board and Executive Leadership Team
- Scheme of Delegation to Officers
- Resource Management Committee (RMC)
- Performance, Audit and Scrutiny Committee (PASC)
- Internal Audit
- External Audit

Internal Audit

Carmarthenshire County Council Internal Audit Section have provided the Internal Audit function for Mid and West Wales Fire and Rescue since Local Government reorganisation in 1996. In 2017/18 a revised 3-year audit programme was agreed that allowed for enhanced robustness going forward.

In accordance with the Accounts and Audit Regulations 2015 and the Public Sector Internal Auditing Standards, the Audit Manager is required to provide an opinion on the overall adequacy and effectiveness of the Authority's risk management, control, counter fraud and governance processes.

For 2017/18 the Head of Internal Audit has provided a general opinion following the internal audit processes and is satisfied that the operational systems at Mid and West Wales Fire Authority were acceptable and there were no fundamental areas of concern identified by the review.

The Authority's risk management, control, counter fraud and governance processes, in operation during the year to 31 March 2018, were found to be generally in accord with proper practice and are fundamentally sound, although there are opportunities to improve the arrangements to enhance the Authority's governance framework. These recommendations from Internal Audit are being addressed via internal departmental action plans as applicable. Full details of the assurance provided by the Audit Manager along with plans to address the recommendations is detailed within the Internal Audit Annual Report for 2017/18.

Due to delays in completing the Internal Audit Plan for 2018/19 no opinion has been issued at the time of writing this AGS. An update on progress was reported to Performance, Audit and Scrutiny Committee on 13th May 2019.

Detailed internal audits have been undertaken, examining some of the areas of higher risk, as prioritised by the Director of Resources. Internal Audits for the following areas have been completed: Main Accounting, Budget Monitoring and Budget Manual Compliance, and Payroll System. These audits have been positive, showing no fundamental control issues, and have been reported to the Authority's PASC.

It is anticipated that the Internal audit programme for 2018/19 will be completed during the first quarter of 2019/20.

The Authority is fully compliant with the seven principles that define the core activities and behaviours that belong to the role of the Head of Internal Audit in local government.

External Audit

The WAO as external auditor to the Authority reviews and comments on the financial aspects of Corporate Governance which includes the legality of financial transactions, systems of Internal Financial Control and standards of financial conduct, and fraud and corruption.

During 2018/19 the Authority presented three sets of unaudited Statement of Accounts (2015/16, 2016/17 and 2017/18) to WAO for Audit. WAO's audit of the 2015/16 accounts was a qualified opinion due to a lack of sufficient appropriate evidence to support some of the classifications in the financial statements. However, both 2016/17 and 2017/18 were unqualified. This represents a significant improvement in the financial management arrangements of the Authority.

Examination by external and internal audit of the management information, financial procedure rules and financial instructions, contract standing orders, administrative arrangements (including segregation of duties) and management supervision have in the main given general assurance regarding the control and proper administration of the Authority's financial affairs.

Strategic and Service Director Assurances

The Authority has responsibility for conducting an annual review of the effectiveness of its governance framework. The review of effectiveness is informed by the work of the Senior Managers responsible for the development and maintenance of the governance environment, the Corporate Communications and Business Development department and by comments made by the External Auditors and other review agencies.

The CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016) demands that assurance is provided on several governance arrangements relating to the organisation including financial control, reporting, approach to decision making, compliance with relevant codes and the influence of the Chief Finance Officer within the organisation. These have been considered within the context of this Statement and it has been established that the Authority's arrangements conform to the CIPFA requirements.

Section 151 responsibilities are met via a Service Level Agreement that the Service has in place with Carmarthenshire County Council. In appointing a Section 151 Officer via the Service Level Agreement, the Authority ensures a resilient approach to statutory

responsibilities for MAWWFRA and allows for alignment with the existing practices within Carmarthenshire County Council as well as a continuation of services.

The Authority has in place, via Internal Audit, a comprehensive assurance assessment process to ensure that the electronic data is secure and configured to current best practice to protect the organisation. The results of these assurances provide a positive opinion, but there are opportunities for improving the internal control environment to further mitigate risks.

The enhanced Internal Audit programme referred to in earlier paragraphs obtained assurances from the Executive Directors around the arrangements for managing their recognised core risk areas. This reflects the Executive Directors responsibilities for both the management of risk and the effectiveness of controls. These discussions were also informed by the regular assurance reports presented to PASC by the Section 151 Officer and Monitoring Officer.

Governance issues to be addressed

The following additional Governance issues need to be considered and addressed during the next 12 months.

1. Complete any remaining outstanding actions from the Governance Assurance recommendations outlined within the action plan from 2017/18. An update on the 2017/18 Action Plan is included at Appendix 1.
2. To reflect on recommendations from internal audit and build into action plans where appropriate.
3. To reflect on recommendations from external audit and build into action plans where appropriate.
4. Establish the Code of Corporate Governance as a standing agenda item on the Business Risk Management Group Agenda to ensure progress and key issues associated with the Code of Corporate Governance is monitored by Senior Officers and Member representatives.
5. Review and revise the Constitution.

We propose, over the coming year to take actions relating to the above matters in order to further enhance our Governance arrangements. An Action Plan summarising the above Actions, Responsible Officers and Target Dates is attached at Appendix 2. We are satisfied that these steps will address the need for improvements and will monitor their implementation as part of our next annual review.

The Governance Statement

The Authority considers that its governance arrangements for 2018/19 continue to be regarded as fit for purpose. The Authority's Code of Corporate Governance sets out in detail the Authority's Governance Framework, which is consistent with the Delivering Good Governance in Local Government 2016. The Authority has assessed and can confirm that the arrangements detailed within the Code are in place.

It is the view therefore of the Clerk and the Section 151 Officer, that the review of the governance arrangements for the financial year 2018/19 has in the main been satisfactory. We believe that the evidence provided demonstrates that the Corporate Governance in this organisation is effective, existing arrangements are fit for purpose, and the Authority is well placed to meet its corporate aims, to achieve its intended outcomes for citizens and service users. The organisation operates in an economical, effective, efficient and ethical manner.

Mid and West Wales Fire and Rescue Authority recognises its responsibility as a public service organisation to both provide a vision for the community it serves and to lead by example in its decision making and other processes and actions, with Members and Officers acting in accordance with high standards of conduct.

Certification

We have been advised on the implications of the review of the effectiveness of the governance framework by Senior Management and the Performance Audit and Scrutiny Committee. Actions identified to further develop the Authority’s Governance arrangements to ensure continuous improvement of the Authority’s systems are in place.

We pledge our commitment that over the coming year we will take steps to further enhance our governance arrangements. We are satisfied that we will address the need for any improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

Councillor R Rees-Evans, Chair of the Fire Authority

Signed:

C Davies, Chief Fire Officer

Appendix 1: Update on 2017/18 Action Plan

Governance	Action	Responsible Officer	Actions / Progress	Status
Internal Audit Plan	The Internal Audit Plan delivered by Carmarthenshire County Council Internal Audit Section allows for 95 days to cover computer audits and systems audits plus 2 days for attendance at Audit committee and meetings. The Internal Audit Plan 2018 to 2021 is considered robust and fit for purpose allowing for a rolling programme of audit over a 3-year period.	Corporate Head of Resources	The 2018/19 Internal Audit papers were presented to Performance Audit and Scrutiny Committee on 13 May 2019. There remains a number of outstanding internal audit reports from Carmarthenshire County Council, which will be completed and presented to PASC in July 2019.	Ongoing – with completion projected July 2019.
Completion of financial statements	Evaluation of the closure process for 2017/18 will be used to identify areas for improvement in 2018/19. Key areas: <ul style="list-style-type: none"> • Planning • Procedures • Whole Team approach • Knowledge & understanding • Wider organisation engagement • WAO requirements • Quality Control • Quality Assurance • Evaluation 	Head of Finance	The 2017/18 unaudited SoA was reported to members in December 2018 and the audited SoA in March 2019. Preparation of the SoA for 2018/19 has been led by the Finance Team with officer input from across the organisation. The SoA 2018/19 has been drafted in accordance with statutory deadlines i.e. 31 st May 2019.	The unaudited SoA 2018/19 will be presented to Members 5 th June 2019.
Quality-control exercises	As part of the planning process, the procedures will be reviewed and updated to include clear timetables to ensure the early closure deadline of 31 st May is achievable. Responsibilities for Statement of Account (SoA) core statements & disclosure notes will be delegated to team members. Thereby spreading knowledge and improving understanding This action will create resilience within the team. Management Review of non-current assets to reduce risk of the omission. To build on the extensive work undertaken, the Authority will	Head of Finance.	Closure procedures and timetables have been reviewed and updated. Responsibilities have been delegated to Finance staff as appropriate. The asset portfolio was reviewed by relevant Heads of Service. The AMS has been populated but due to staff changes it has not	The unaudited SoA 2018/19 will be presented to Members 5 th June 2019.

	<p>transition from the spreadsheet Fixed Asset Register (FAR) to Cipfa Asset Management System (AMS). The AMS will be introduced for the 2018/19 Statement of Accounts.</p> <p>Draft SoA will be circulated to the Chief Fire Officer, S151 Officer, Director or Resources and the Corporate Head of Resources to review. Their observations and comments will be addressed and where necessary the SoA amended.</p>		<p>been used to produce the SoA 2018/19. Training with CIPFA is being arranged for June 2019.</p> <p>The draft SoA 2018/19 was reviewed by the Executive Leadership Team.</p>	
Review of the evaluation of fire safety arrangements (following 2015-16)	<p>This work has continued from last year and the Authority continues to enhance its range of evaluation processes to monitor prevention interventions to shape future strategy and deliver relevant and effective engagement. At a National level, the National Issues Committee (NIC) through the all Wales Home Safety Group has a Delivery Plan for 2016-2019 that includes an action "To research future methods of evaluation of service delivery: outcomes and to progress the identification of success criteria in home safety delivery."</p>	Corporate Head of Prevention and Protection	<p>The evaluation of fires safety arrangements has been reviewed.</p> <p>Evaluation is a process that is integral to our delivery and will continue to be refined, both within the Service and through All Wales collaborative work, in order to ensure that our intervention continues to be as effective as possible.</p>	Completed
Pension issues currently ongoing which the Authority is addressing	<p>Additional Pension Benefits – Temporary Promotions On 11 December 2017 the Authority approved a report to implement the requirements of The Firefighters' Pension (Wales) Scheme (Amendment) Order, consultation is ongoing with the appropriate representative bodies on the proposed implementation date and retrospective application of the policy where appropriate. As a consequence of the delays in implementing the Order a small number of retirees have received pension settlements which are not in accordance with the relevant regulations. Work is currently in progress to address any residual issues</p>	Head of Human Resources	<p>At its meeting on 10 December 2018 the Authority approved proposals considered appropriate as a resolution of this matter, taking into account legal opinion and following discussion and meetings with the Welsh Government, both the other Welsh Fire and Rescue Services in Wales, and the WAO. Remedial action has been undertaken and the exercise concluded.</p>	Completed

	<p>around the legality and funding of these payments and to agree any remedial actions necessary.</p> <p>Transitional Protection In December 2018 the Court of Appeal handed down the judgment in the Firefighters transitional appeals case. The case relates only to the transitional protection arrangements in the 2015 Firefighters' pension scheme, and whether these are discriminatory. The judgment remits it to the employment tribunal to consider remedy, so it is likely to be many months before the impact on pensions is understood.</p> <p>Pension Ombudsman A Pension Ombudsman determination relating to certain allowances and their treatment as pensionable pay or otherwise. The impact of the decision remains subject to potential Appeal to the High Court.</p>		<p>Government has applied for permission to appeal to the Supreme Court. It will most likely be many months before it is understood what this means for pension scheme benefits.</p> <p>The High Court Judgement on pensionable pay was released on 29 March 2019 and the directions relating directly to the complainants has been implemented. Work continues in respect of the wider financial implications of the judgement and the steps to be taken to apply the judgement in a wider context.</p>	<p>Ongoing</p> <p>Ongoing</p>
Chief Fire and Rescue Adviser (CFRA) Thematic Review	<p>The Service is working with the CFRA and the other Fire and Rescue Services in Wales to:</p> <p>i. Assess the extent to which Thematic Reviews are providing assurance and stimulating demonstrable improvement in the Welsh fire and rescue sector; and</p> <p>ii. Explore opportunities for ensuring that the Thematic Review process is well integrated with, and complementary to, other independent processes that are intended to assess and, where necessary, improve performance within the sector.</p>	Deputy Chief Fire Officer	An initial meeting has been held with key stakeholders and further meetings are scheduled for Summer 2019.	Ongoing.
Peer Assessment Outcomes	The Peer Assessment report identified some areas for development and an action plan is in place to deliver on these requirements within the	Corporate Head of Operational Support and Improvement	Departments are familiar with the areas for development and the action plan for implementation has been factored into the	Ongoing

	<p>Operational Support and Improvement Directorate.</p> <p>Personnel require information dissemination regarding the Operational Learning System and training in its purpose and use. This will ensure all operational personnel are not only aware of what OLS is but what its intended use is including where it is located and how it should be accessed.</p> <ul style="list-style-type: none"> • To review all guidance documents to ensure currency and compliance. • Recommendation that all firefighters in charge are assessed on two pump incidents. • Consideration to be made for all firefighters in charge to complete Skills For Justice level 1 qualification. Currently within MWWFRS there is no Skills for Justice initial qualification in Incident command Level 3 (QCF level 6). Recommend introducing this qualification as part of the promotional process for Group Manager. • Version control of training documentation e.g. course content etc Work is currently ongoing in this area. 		<p>2019-20 departmental business plan.</p>	
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Appendix 2: 2018/19 Action

Governance	Action	Responsible Officer	Target Date
Internal Audit recommendations	Reflect on recommendations from Internal Audit and build in to action plans.	Relevant Heads of Service	As agreed with Internal Audit
External Audit recommendations	Reflect on recommendations from External Audit and build in to action plans.	Relevant Heads of Service	As agreed with External Audit
Code of Corporate Governance	Establish the Code of Corporate Governance as a standing agenda item on the Business Risk Management Group agenda to ensure progress and key issues associated with Code are monitored by senior officers and Member representatives.	Head of Corporate Communications and Business Development	June 2019
Constitution	Review and revise the Constitution to ensure fit for purpose.	Monitoring Officer	September 2019
Finance Procedural Notes	Review and revise the Finance Procedural Notes to ensure fit for purpose.	Head of Finance	December 2019