

# DRAFT ANNUAL GOVERNANCE STATEMENT 2015/16

## 1 Scope of Responsibility

Royal Berkshire Fire Authority (the Authority) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for. It also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

The Authority has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework '*Delivering Good Governance in Local Government*'. This statement explains how the Authority has complied with the code and also meets the requirements of Regulation 6(1) of the Accounts and Audit Regulations 2015 which requires all relevant bodies to prepare an annual governance statement.

## 2 The Purpose of the Governance Framework

The Governance Framework comprises the systems, processes, culture and values by which the Authority is directed and controlled. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure 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 the risks to the achievement of the Authority's aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised.

The Governance Framework has been in place within the Authority for the year ended 31 March 2016 and up to the date of approval of the Statement of Accounts.

### **3 The Governance Framework**

#### **3.1 The Corporate Plan**

The Corporate Plan 2015-19 sets out the contribution the Authority will make to enable communities in Berkshire to live safe and fulfilling lives. It is linked to the Budget, ensuring that the aspirations in the plan are realistic in the context of funding constraints placed upon the Authority.

The Corporate Plan is reviewed annually, taking account of matters that have arisen during the last 12 months and also those which may have an impact upon the business of the Authority in the year ahead.

Delivery of the Authority's Corporate Plan is supported by service plans and performance development appraisals. These include targets and appropriate service standards against which service quality and standards can be judged.

#### **3.2 Constitution**

The Constitution of the Authority establishes the roles and responsibilities of Members of the Authority, its Committees and Working Parties, together with officer functions. It includes details of delegation arrangements, codes of conduct and protocols for member/officer relations. The Constitution is kept under review to ensure that it is fit for purpose. Proposed changes are overseen by the Audit and Governance Committee. The Audit and Governance Committee's views on the suitability of any changes are reported when they are presented to the full Fire Authority for approval.

The Constitution also contains procedure rules, standing orders and financial regulations that define how decisions are taken and where authority lies for decisions. The statutory roles of Head of Paid Service (Chief Fire Officer), Monitoring Officer and Chief Financial Officer are described together with their contributions to provide robust assurance on governance and that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight of these posts is supported by the post-holders' membership of the Corporate Management Team.

#### **3.3 Audit and Governance Committee**

This Committee undertakes the scrutiny function within the Authority and provides a robust challenge to the Authority. The Committee reviews performance within the Authority, initiating reviews where it considers performance could be improved.

The Committee has accepted responsibility for Members' conduct and most recently for the Charter for Member Development. The Committee now has lead responsibility in this area. With regard to Member conduct, there were no complaints made in 2015/16.

### 3.4 Complaints and whistle blowing

A complaints procedure and whistle blowing policy are maintained and kept under review, providing the opportunity for members of the public and staff to raise issues when they believe that appropriate standards have not been met. An annual report analysing complaints received and their resolution is presented to the Audit and Governance Committee.

### 3.5 Risk Management

The Authority will ensure that the Service has appropriate governance arrangements in place and that risks are being effectively managed.

The overall responsibility for risk management within Royal Berkshire Fire and Rescue Service (RBFRS) lies with the Chief Fire Officer. The production and development of the Corporate Risk Register lies with the Director of Strategy and Performance Management.

The Authority has ownership of the strategic risks of the Service and is responsible for monitoring and challenging risks and actions appearing on the Corporate Risk Register. This responsibility for risk management is delegated by the Authority to the Audit and Governance Committee.

### 3.6 Training

Training needs of Members and officers are identified through appraisal and review processes. Appropriate training is made available to staff to ensure that individuals are able to undertake their current roles effectively and that they have the chance to develop to meet their, and the Authority's, needs.

### 3.7 Partnership Working

The Authority is committed to working in partnership and has established partnership arrangements with other Fire Authorities in respect of a joint Control Room and fleet maintenance. In respect of procurement and information management, the Authority has entered arrangements to share officers in these areas of work. This is being reviewed at the end of 2015/16. Further opportunities for partnership working and sharing officers and services are being explored.

## **4 Review of Effectiveness**

4.1 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 senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Auditors' (RSM) annual report, and also by the findings and reports issued by the external auditors and other review agencies and inspectorates.

4.2 The Director of Strategy and Performance Management has responsibility for:

- overseeing the implementation and monitoring of the operation of the Code of Corporate Governance;
- maintaining and updating the Code in light of latest guidance on best practice; and
- reporting annually to the Audit and Governance Committee and the Authority on compliance with the Code, and any changes that may be necessary to maintain and ensure its effectiveness in practice.

4.3 Until August 2015 the Director of Resources was the Responsible Financial Officer for the Authority under section 112 of the Local Government Finance Act 1988. From September 2015 the Head of Finance and Procurement has responsibility for the proper administration of the Authority's financial affairs. This includes responsibility for maintaining and reviewing financial regulations to ensure that they remain fit for purpose, submitting any additions or changes necessary to the full Fire Authority for approval. The Director of Resources and subsequently the Head of Finance is also responsible for reporting any breaches of the Financial Regulations to the Authority. The Head of Finance is a member of the Corporate Management Team, complying with the requirements of the CIPFA 'Statement on the Role of the Chief Financial Officer in Local Government' as set out in the Application Note to 'Delivering Good Governance on Local Government: Framework'.

4.4 The Authority's Internal Audit Service is carried out by external contractors appointed under contract. The appointed Internal Auditors (RSM) are required to provide an annual independent and objective opinion to the Authority on risk management, governance and the control environment. RSM undertook the following audits:

- Firefighter pension administration
- Thematic review – fuel cards
- IT General Controls
- Risk Management and Governance
- Key Financial Systems
- Post implementation payroll review

RSM's annual internal audit opinion for 2015/16 is as follows:

*The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.*

## **5 Significant Governance Issues in 2015/16**

### **5.1 Structure of the Fire Authority**

In late 2015/16 work began to look at restructuring the Fire Authority which will come into place in 2016/17.

### **5.2 Corporate Plan**

With the Authority's Commitments in place, 2015 became a year for planning how they would be delivered. The Corporate Plan 2015-19 summarises the results of that planning activity. Annual Action Plans will follow, which will contain specific and detailed information about what will be achieved in each of the four years between now and 2019.

### **5.3 Organisational Development (OD)**

The senior management team was reorganised during 2015/16 reducing the number of directors from five to four and reducing heads of service from thirteen to eight.

The Senior Management Team now comprises the following roles:

- Chief Fire Officer/Chief Executive
- Deputy Chief Fire Officer /Director of Performance and Risk / Monitoring Officer
- Assistant Chief Fire Officer/ Director of Service Delivery
- Director of People and Organisational Development
  
- Head of Finance & Procurement / Chief Financial Officer
- Head of HR and Learning and Development
- Head of Response
- Head of Corporate Services
- Head of Prevention and Protection
- Head of Risk Management and Performance
- Head of Business Information and Systems
- Head of the Training Company

## **6 Significant Governance Issues in 2016/17**

### **6.1 Budget Management**

Training will be delivered to all senior and middle managers to support the introduction of greater devolution of budgets in Quarter 1 2016/17.

## 6.2 Procurement

Our Contract Standing Orders will be re-written in Quarter 2 of 2016/17. Training will be provided for all relevant staff.

## 6.3 Financial Regulations

As part of the new ways of working indicated in the 2015-19 Corporate Plan, we will fully revise the Financial Regulations in early 2016/17 to provide a transparent framework for staff to operate within.

Signed:

Chairman of Audit and Governance Committee for Royal Berkshire Fire Authority

Signed:

Chief Fire Officer and Chief Executive