



Awdurdod Tan ac Achub
Canolbarth a Gorllewin Cymru
Mid and West Wales
Fire and Rescue Authority

Annual Governance Statement

For the year ended 31 March 2023



Gwasanaeth Tân ac Achub
Canolbarth a Gorllewin Cymru
Mid and West Wales
Fire and Rescue Service

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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 the law and proper standards; that public money is safeguarded and appropriately accounted for; and used economically, efficiently, effectively and equitably.

The Authority has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, effectiveness and equity. The Well-being of Future-Generations (Wales) Act 2015 places a well-being duty on public bodies to set and publish well-being objectives, designed to maximise their contribution to the seven national well-being goals, with a focus on sustainable development.

The introduction of the Local Government and Elections (Wales) Act 2021 has also introduced the establishment of a new and reformed legislative framework for local government elections, democracy, governance and performance, including the provision of a multi-location policy for meetings.

In discharging its overall responsibility, 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, which includes arrangements for the management of risk.

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

Mid and West Wales Fire and Rescue Authority's Governance Arrangements

The Authority is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively. The Authority provides clear strategic direction, and its Constitution clearly defines the roles of Members and Officers. Internal Audit and the Performance Audit and Scrutiny Committee are committed to ensuring that governance arrangements are effective and robust. The key roles of the Constitution and those responsible for developing and maintaining the Authority's Code of Corporate Governance Framework are set out below.

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 Constitution (including Standing Orders and Financial Regulations). Approves key policies and budgetary framework. Is the main decision-making body of the Authority. Comprises twenty-five Members (including the Chair).
Performance Audit and Scrutiny Committee	Provides independent assurance to the Fire Authority on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment. Promotes high standards of Member conduct. Makes recommendations to the Fire Authority on the approval of the Annual Statement of Accounts and Annual Governance Statement, and in appropriate circumstances approves the Annual Statement of Accounts.
Resource Management Committee	Responsible for the effective management of the resources of the Fire Authority, in particular managing and developing the financial, human and property resources of the Authority together with its procurement, Information and Communication Technology (ICT), human resources and transport functions and its engagement with stakeholders.
Executive Leadership Team	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. Oversees the implementation of policy and service delivery.

<p>Section 151 Officer</p>	<p>Ensures lawful and financially prudent decision making.</p> <p>Administration of financial affairs.</p> <p>Accountable for developing and maintaining the Fire Authority’s 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>Maintains and updates the Constitution.</p> <p>Establishes and maintains 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>
<p>Internal Audit</p>	<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>
<p>Managers</p>	<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 Directorate meetings, Service Leadership Team meetings and Operational Response Forums.</p>

Mid and West Wales Fire and Rescue Authority's Governance Framework

A Code of Corporate Governance was developed by Mid and West Wales Fire and Rescue Authority in 2010 and revised in 2017 in accordance with the CIPFA / SOLACE Delivering Good Governance in Local Government Framework 2016.

The Code of Corporate Governance comprises the systems, processes, culture and values by which Mid and West Wales Fire and Rescue Service is directed and controlled and also the way it accounts to, engages with and leads the community. It enables Mid and West Wales Fire and Rescue Authority to monitor the achievement of its Strategic Aims and to consider whether the Service has delivered appropriate, effective and efficient services. The system of internal control forms a significant part of the Code of Corporate Governance and is designed to manage risk to a reasonable level. It evaluates the likelihood and impact of identified risks being realised and manages each risk appropriately.

The Authority's Code of Corporate Governance brings together in one document all the governance and accountability arrangements the Service has in place. The Code of Corporate Governance Framework is based on best practice guidance set out in the CIPFA / SOLACE Framework, Delivering Good Governance in Local Government and is used to review the Authority's governance arrangements on an annual basis.

The Authority has conducted an annual review of the effectiveness of its governance against the CIPFA / SOLACE Delivering Good Governance Framework (2016) during 2022/23. The annual review of the Code of Corporate Governance was informed by managers within the Service who have responsibility for the development and maintenance of the governance environment and by comments made by internal and external audit, as well as other inspection agencies. The reviewed and revised Code of Corporate Governance to year end 31 March 2023, was approved by the Performance Audit and Scrutiny Committee in May 2023.

This Statement provides assurance as to how the Authority has complied with the seven core principles and sub-principles of its Code of Corporate Governance Framework during the financial year 2022/23.

This statement also meets the requirement of The Accounts and Audit (Wales) Regulations 2014.

Mid and West Wales Fire and Rescue Authority Governance Assurances for 2022/23

The Authority's Code of Corporate Governance sets out the Authority's commitment to the principles of good governance. A copy of the Authority's full Code of Corporate Governance, to year ending 31 March 2023, can be accessed on the Service's website. The following section provides a brief overview of the governance assurances undertaken by the Authority during 2022/23.

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

New Chief Fire Officer and Executive Leadership Team

During 2022/23, following the appointment of a new Chief Fire Officer in April 2022, the Service's Executive Leadership Team has seen significant change, with a new Deputy Chief Fire Officer, Assistant Chief Fire Officer, Assistant Chief Officer, Corporate Head of Resources and Interim Treasurer all taking up post during this time.

Whilst the advent of a new leader within an organisation is sometimes accompanied by trepidation and a period of instability, a significant amount of work has taken place during 2022/23 to ensure the Service continues to learn, develop and improve during the period of transition. Key areas where this can be seen include:

- A review of the Service's organisational structure has taken place to facilitate streamlined decision making, increase accountability and a deliver a more effective structure which supports the delivery of the Service's Vision, Mission and Values.
- The Chief Fire Officer has initiated three work packages designed to focus attention on areas of the Service where improvements need to be prioritised.
 - Operational training.
 - Organisational governance and decision making.
 - Staff reward and recognition.
- The Executive Leadership Team have reviewed their communication commitments, dedicating themselves to communicating in a consistent, informative and collaborative fashion with the Service and the communities it serves to support the ongoing ethos of being open, transparent and accountable for all strategic decision making.

Core Values

The Service's Vision, Mission and Values are clearly published within its Strategic Plan 2022-27.

Setting out its key Commitments over the next five years, the Strategic Plan for 2022-27 is supported by an Annual Business Improvement Plan, which outlines its Improvement and Well-being Objectives for the year ahead. The Service's Strategic Plan 2022-27 and its Annual Business Improvement Plan 2022/23 were published on the 1 April 2022.

Due to a delay in receiving the revised Performance Framework from Welsh Government, which will be introduced to replace the repealed performance requirements of Fire and Rescue Authorities within the Local Government (Wales) Measure 2009; a revised improvement planning process will now be considered during 2023/24. This will be supported by the commencement of a review of the Service's Vision, Mission and Values, by the Service's Executive Leadership Team, which will be informed by a Cultural Audit which is currently being undertaken and due to be completed in the early part of 2023/24.

During 2022/23, the Service has also undertaken a benchmarking exercise against the newly published Fire Standards. Designed, developed and published by a Fire Standards Board, the purpose of these Standards is to oversee the identification, organisation, development and maintenance of professional Standards for Fire and Rescue Services. Although not legislatively applicable to Fire and Rescue Services within Wales, it is without doubt that they directly correlate to the work the Service does, and as such, undertaking this exercise has been critical in identifying areas for improvement.

One of the key Standards that has been analysed during 2022/23 is the Code of Ethics Standard. It is understood that a Fire and Rescue Service which has embedded and is committed to the ethical principles and professional behaviours contained in the Core Code of Ethics (Core Code), has a more positive working culture and continuously improves the quality of its service to the public. Learning from the gap analysis undertaken against this Standard has enabled the Service to reassure itself that it is demonstrating strong commitment to ethical values and has also identified areas where this can be improved in the future.

The Code of Conduct for Members, which is published within the Constitution, outlines the behaviours and conduct expected of Members. As part of their induction process, all new Members and personnel also receive an overview of the standards of conduct and behaviour expected of them. This is further supported by the Member Development Strategy and Annual Training Programme which ensures Members receive appropriate training and support for their roles.

Finally, the Service's performance appraisal process, which was reviewed in 2021/22 in line with the National Fire Chief Council Leadership Framework and will become effective in 2023/24, will ask all personnel and Managers to indicate how they feel personnel have behaved in relation the Service's Values during the year.

The Constitution

The Authority's Constitution is publicly available on the Authority pages of the Service's website and explains how the Authority operates and how it makes decisions. The Constitution is subject to periodic comprehensive reviews, with ongoing updates as required to reflect legislative changes and according to need.

In December 2022, the Authority received and approved a paper proposing changes to sections of its Constitution.

Revisions were focused around the formal application of a Multi-Locations Meeting Policy, as required by the Local Government (Wales) Act 2021, which states that the Authority is required to make and publish arrangements to ensure that all Fire Authority, Performance, Audit and Scrutiny Committee and Resource Management Committee meetings, may be attended remotely (i.e., enabling persons who are not in the same place to attend the meeting) – also referred to as 'multi-location meetings'.

To support this, the Caer Suite, the Service's meeting room at Service Headquarters for the convening of Authority meetings, has now been refurbished to facilitate hybrid meetings of the Authority.

The Monitoring Officer and Section 151 Officer

Legal and Financial advice is provided on all appropriate reports for decision by the Authority's Clerk / Monitoring Officer and the Authority's Section 151 Officer, who approve all Authority and Committee meeting paperwork prior to publication. Reports clearly outline financial and legal advice being provided to Members for their decision-making purposes and arrangements are in place to ensure the decisions of the Authority, and the basis on which those decisions are made, are recorded.

The Authority's Monitoring Officer has a specific duty to ensure the Authority, its Officers and Elected Members maintain the highest standards of conduct. The Authority's Monitoring Officer also has a specific duty to report matters he or she believes are, or likely to be, illegal or amount to maladministration. The Monitoring Officer therefore ensures the lawfulness and fairness of Authority decision making. The Monitoring Officer also ensures that the necessary arrangements are in place to facilitate effective

communication between Officers and Members, and the formal recording and publication of the democratic decision-making process.

Further to a decision taken by the Authority at its Appointments Committee in November 2021, which was ratified by the full Fire Authority at its meeting in December 2021; the Authority has during 2022/23 changed its arrangements for the provision of Section 151 Officer services, which had been provided under a Service Level Agreement with Carmarthenshire County Council since 2018. The Service's Head of Finance was offered, and accepted, the opportunity to be appointed as the Interim Treasurer (Section 151 Officer) from 1 August 2022 to 31 July 2023. The Fire Authority also supported the current Section 151 Officer's (Carmarthenshire County Council - Director of Corporate Services) appointment of the Service's Head of Finance as Deputy Section 151 Officer in the interim period up to 31 July 2022. The Service Level Agreement for 2022/23 was amended to provide strategic financial mentoring and coaching to the Interim Section 151 Officer for the period 1 August 2022 to 30 September 2022 to assist with the transition process. During 2023/24 the Authority will evaluate the interim arrangement before determining how the Section 151 Officer responsibilities will be discharged from 1 August 2023.

Principle B: Ensuring openness and comprehensive stakeholder engagement.

Effective Communication, Consultation and Engagement

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

As part of the Authority's commitment to continuous improvement, between October and December 2021, the Service consulted on its revised planning process for 2022 onwards, which included its Strategic Plan for 2022-27, which references its longer-term Commitments; and its Annual Business Improvement Plan 2022/23, which outlines its Improvement and Well-being Objectives for the year ahead. Feedback received during the consultation process was considered by the Officers and Members and incorporated, where appropriate into the revised final Strategic Plan 2022-27 and Annual Business Improvement Plan 2022/23, which were published on the 1 April 2022.

In a similar vein, a subsequent 10-week public consultation exercise, designed to gather feedback on the content of the draft Annual Business Improvement Plan 2023/24, was conducted between 27 September 2022 – 06 December 2022. Some 50,000 engagements and 251 responses were received as part of this process and where appropriate, incorporated into the final draft of the Annual Business Improvement Plan 2023/24. This Plan was put before, and approved by the Authority at its meeting on 6 February 2023 and will go live on 1 April 2023.

Over the coming twelve months, the Service is intending to undertake a review of its corporate planning process, which will include a revision of its Vision, Mission and Values, which will in part be supported by the outcome of a Cultural Audit; a review of the number of Plans it currently facilitates; a focus on longer term planning and objective setting; and a resetting of focus to the Service's legitimate purpose.

Corporate Budget Planning with Fire Authority Members and Constituent Local Authorities

The Service's Communications, Consultation and Engagement Strategy outlines the Service's approach to communication, including an overview of key stakeholders to be communicated with and the most appropriate mechanism to ensure effective communications and engagement with key target groups. Throughout 2022/23, the Service's Executive Board, along with the Authority's Interim Section 151 Officer have engaged in several Corporate Budget Planning workshops with elected members in order to identify the levy requirement for 2023/24. This consultation process has also involved providing presentations at Constituent Local Authority meetings, as well as meeting with Constituent Local Authority Treasurers.

Stop, Start and Continue Survey and Cultural Audit

As a public sector organisation, the Service is accountable to the communities it serves, and as such, effective governance is central to improved decision-making. Accountability isn't just about taking responsibility – it involves us committing to a set of actions, attitudes, aspirations, and expectations, that establish how we lead and manage, the value we can add to our existing Service as well as driving any innovation we wish to undertake.

Recognising this, the Chief Fire Officer and Executive Leadership Team embarked on two pieces of work during 2022/23, designed to understand more about the Service and the view of its staff.

The first, a Stop/Start/Continue Survey, was designed to understand what the Service's staff thought the Service did well and equally not so well; what it needs to do more of; and what it should stop doing. It also focussed on and encouraged staff to think about what it needed to start doing - what it could introduce to improve business processes to ensure it remains an effective and efficient Service for its communities. The survey closed at the end of July 2022 and the Service has subsequently analysed the responses and issued a report detailing the findings, a suite of recommendations and next steps for the implementation phase.

The second, a Cultural Audit, committed to by the Chief Fire Officer at the outset of his tenure in April 2022, is intended to gain a better understanding of the habits, norms, values and behaviours that underpin the way in which the Service approaches the delivery of its services.

Since committing to this piece of work, the landscape for Fire and Rescue Services (FRS) across the UK has changed with outcomes of the independent cultural review on London Fire Brigade and the more recent public allegations in respect of the inappropriate behaviour of personnel within other Fire and Rescue Services, painting an incredibly challenging picture for the sector. This focus has evolved even further with the publication in March 2023 of His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) Spotlight Report on Fire & Rescue Services relating to FRS Culture and Inclusion containing 35 Recommendations for action by FRS's. As such, the publication of this survey could not have been timelier. Indeed, launching in February 2023, this process is still at the stage of data gathering before the responses are collated, analysed and recommendations formed.

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

Our commitment to the Well-being of Future Generation's Act (Wales) 2015

The Service remains committed to supporting the Well-being of Future Generations (Wales) Act 2015 and embraces its duties and role as a statutory partner on its six Public Service Boards.

The Service's Strategic Plan 2022-27 was developed in accordance with the requirements of the Well-being of Future Generations (Wales) Act 2015 and ensures the Service continues to consider the long-term impact of its decision making on its communities. The Plan also highlights how the Service's strategic commitments contribute to the Act's seven Well-being Goals; and how the Service will consider and incorporate, where appropriate, the sustainable development principle and its five ways of working in delivering its Improvement and Well-being Objectives.

As a statutory partner on six Public Service Boards, the Service has continued to play a key role in the formation of all six updated Local Well-being Plans during 2022/23, which represent the communities of mid and west Wales. Representatives from the Service also participate in several delivery and implementation groups across each of its six Public Service Boards, ensuring that the objectives identified as priority partnership areas are successfully delivered.

The Service's Mission, Vision and Values and the ethos of the Well-being of Future Generations (Wales) Act 2015, greatly influence the Service's improvement planning arrangements. Service Plans are reviewed annually and revised in accordance with feedback from staff, members of the public, partner agencies and other key stakeholders, including Commissioners and Auditors. Regular progress reports on performance matters are also presented to the Authority's Performance, Audit and Scrutiny Committee and Resource Management Committee on a quarterly basis.

Procurement Strategy

A full review of the Welsh FRS Procurement Strategy has been undertaken and presented and approved by the Service's Service Leadership Team in August 2022.

Carbon Reduction, Sustainability and Social Value have now been embedded into the procurement process where relevant.

Medium Term Financial Planning

A robust budget setting process was followed in 2022/23 which included Officers, Members and participation by representative bodies.

The Service's Medium-Term Financial Strategy, which supports the planning of resource allocation and spending, and provides the financial framework for supporting the budget setting process, was considered by the Fire Authority in September 2022.

The Service's Medium-Term Financial Plan, which includes the Revenue Budget requirement for the coming financial year and the 5-year Capital Programme, were reported to Resource Management Committee in November 2022, Fire Authority in December 2022, culminating in approval by the Fire Authority in February 2023.

The Capital Strategy, as approved by Members annually, sets out the Service's long-term context in which capital expenditure and investment decisions are made. It also provides the framework for ensuring the Service's 5-year Capital Programme is aligned to the Service's strategic commitments as outlined in its Strategic Plan. The Service's Strategic Asset and Capital Management Group have met quarterly throughout 2022/23 to monitor and review the 5-year capital programme.

The Treasury Management Strategy Statement, as approved by Members annually, sets out the limits and controls to be applied when borrowing and investing funds. It includes Capital Prudential Indicators which show the financial impact of capital expenditure decisions so that it can be determined as to whether those decisions are affordable, prudent and sustainable. It also includes Treasury Management Prudential Indicators which set constraints on Treasury Management decisions to ensure that they are made in accordance with good practice.

Revenue Budget and Capital Programme monitoring reports, summarising the actual expenditure to date and forecast outturn, were presented to the Resource Management Committee on a quarterly basis throughout the year.

The Draft Annual Statement of Accounts for 2021/22 was completed by 31 May 2022 and the final audited version was subsequently received by the Performance, Audit and Scrutiny Committee at their meeting in July 2022, the unqualified audit report was also presented at this meeting.

Revised budget guidance was presented to the Service Leadership Team in April 2022.

Treasury Management training was also delivered to the Fire Authority and Officers involved in the daily Treasury Management function, in January 2023.

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

The Authority's Elected Members are closely involved in scrutinising performance data, which is reported at both Committee and full Authority meetings. As already outlined in 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; whilst the Authority's scheme of Standing Orders clearly sets out the roles and responsibilities of Members and Officers ensuring informed and effective decision making by the Authority.

The Service's Improvement and Well-being Objectives, outlined in its Annual Business Improvement Plan 2022/23, were designed in conjunction with Members and representative bodies at Corporate Budget and Planning meetings, which are held throughout the year to discuss the budget planning requirements for the year ahead. This process ensures that the Authority forecasts for future planning purposes and that the Service's improvement planning process aligns with the Service's Medium-Term Financial Strategy and Medium-Term Financial Plan.

The Consultation process was supported by a Communication, Consultation and Engagement Plan. A full report, detailing the findings and recommendations from the consultation process, was reported to the Fire Authority in February 2022, outlining how any changes as a result of the consultation process had been incorporated within the final version of the Plans, which were subsequently published on 1 April 2022.

A similar approach is taken to the development of the Service's Sustainability and Environment Plan, Strategic Equality Plan and Welsh Language Standards, to ensure all statutory guidance is adhered to and objectives delivered.

Quarterly monitoring reports, identifying progress and performance against the Improvement and Well-being Objectives for 2022/23, including updates on 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 Audit Wales.

Compliance certificates were received from Audit Wales in respect of the publication of the Authority's Annual Performance Assessment 2022 and the Authority's Improvement and Well-being Objectives for 2022/23.

As a result of the introduction of The Local Government and Elections (Wales) Act 2021 and the partial repeal of the Local Government (Wales) measure 2009, it is anticipated that the Service will be required to review its corporate planning processes during 2023/24, to align to a revised performance framework set to be introduced by Welsh Government.

The Service's Performance and Improvement Progress Reports for 2022/23, along with the Service's Strategic Equality Plan Progress Reports for 2022/23, the Service's Annual Sustainability and Environmental Report and Annual Welsh Language Monitoring Report, are available on the Service's website.

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

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.

Commissioned by the Fire Authority in December 2021, the Service has embarked on a job evaluation process for support staff throughout 2022/23. Of the 227 job roles evaluated as part of the process, 134 roles were identified as requiring an uplift in pay whilst 93 were determined to have pay levels which were commensurate with expectations of the role. Whilst no roles were identified as requiring a decrease in pay, an appeals process is underway, which is set to conclude by summer 2023.

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 firefighter fitness. A fitness assessment programme for operational staff is fully embedded in the Service and fitness equipment is 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. The Service's performance appraisal process was reviewed in 2022/23 in line with the National Fire Chief Council Leadership Framework with work now coming to an end in readiness to launch a new appraisal process during 2023/24.

The Service's Strategic Workforce Group has also met regularly throughout 2022/23, as well as the Service's Transfer and Promotion Panel and the Service's Fitness Advisory Panel.

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.

To coordinate its arrangements for matters of risk management, the Service has established a dedicated Business Risk Management Group. Chaired by the Director of Risk Management and Improvement, this group meets on a quarterly basis and includes representation from each of the Service's Directorates and the Fire Authority.

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.

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

The Service's Business Risk Management Group monitored progress in relation to the Code of Corporate Governance during 2022/23 and also progress on the Service's Internal and External Audit processes.

Financial Management

The Authority's Financial Procedure Rules, which are published within the Authority's Constitution, were reviewed and revised during 2020/21. The revised Financial Procedure Rules were presented to the Resource Management Committee in April 2021 and to the full Fire Authority as part of the revised Constitution in June 2021.

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

The Authority's Annual Governance Statement provides assurances that the Authority has the necessary corporate governance arrangements in place to perform effectively. The Authority's Annual Governance Statement for 2021/22 was published on 31 May 2022 and presented to the Performance, Audit and Scrutiny Committee as part of the Authority's Statement of Accounts at its meeting in July 2023. The Authority's Code of Corporate Governance Framework supports the development of the Authority's Annual Governance Statement. The Code of Corporate Governance for 2022/23 was reviewed and revised in conjunction with Members and Officers during 2022/23 and was approved by the Performance Audit and Scrutiny Committee in May 2023.

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. Finance reports, including budget setting, budget monitoring and the Statement of Accounts are also considered at Fire Authority, Resource Management Committee and Performance, Audit and Scrutiny Committee meetings. A full overview of the Service's financial planning arrangements has been provided at Principle C.

Treasury Management financial training was provided to Members and Officers by the Authority's Treasury Management Consultant Link Asset Services in January 2023.

Minutes, including decisions made at all Authority and Committee meetings are published on the Service's external website.

Review of whistleblowing Procedure.

Recognising that its staff are entitled to certain protections if they make a disclosure in the public interest regarding their employer's or a third party's actions, and indeed the invaluable benefits of encouraging their workforce to make any such disclosures to their ability to remain open, transparent and accountable, the Service has in place an effective Whistleblowing Procedure.

During 2022/23, the Human Resources department, in conjunction with the Authority's Monitoring Officer undertook a review of the Whistleblowing Procedure, ensuring it remains fit for purpose, legislatively sound and accessible to those that feel it necessary to use it. Following this review, the draft Procedure was presented to and approved by the Authority's Standards Committee in December 2022.

Opinion on the level of assurance that the governance arrangements can provide.

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 Leadership Team and other Senior Officers within the Authority who have responsibility for the development and maintenance of the governance environment. The work is supported by reports from internal and external auditors, while recommendations from peer assessors are also considered.

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

- Fire Authority.
- Executive Leadership Team and appropriate Senior Officers.
- Scheme of Delegation to Officers.
- Resource Management Committee (RMC).
- Performance, Audit and Scrutiny Committee (PASC).
- Standards Committee.
- 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 Service since Local Government reorganisation in 1996. A 3-year Internal Audit Plan is agreed with the Section 151 Officer and Director of Resources and approved by the Performance, Audit and Scrutiny Committee. The 3-year plan is reviewed and updated every year to reflect current circumstances and priorities.

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.

The Internal Audit Plan for the 2022/23 financial year was agreed with the Director of Resources, the Section 151 Officer and approved by the Performance, Audit and Scrutiny Committee in April 2022. The Performance, Audit and Scrutiny Committee has received progress reports on delivery of the plan along with final Internal Audit reports issued throughout 2022/23.

To date, seven Final Reports and one Draft Report have been issued relating to the 2022/23 Audit Plan. In addition, two reviews relating to 2021/22 were finalised during 2022/23. From these reports, levels of assurance assigned were two “high”, seven “acceptable” and one “low”. For the report receiving a “low” assurance there were five recommendations and all agreed actions were implemented during 2022/23. A follow-up audit for this function is planned for early 2024/25.

The Head of Internal Audit, within the Mid and West Wales Fire and Rescue Service Internal Audit Annual Report 2022/23, which will be reported to the Performance, Audit and Scrutiny Committee in July 2023, provided the following overall opinion:

“No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. This statement is intended to provide reasonable assurance that there are no major weaknesses in risk management, governance, and control processes.

In arriving at the overall opinion, the Head of Internal Audit has considered:

- the results of all work undertaken as part of the 2022/23 Internal Audit Programme.
- the results of work undertaken as part of the 2021/22 Internal Audit Programme, which have been concluded following the issue of last year’s Annual Report.
- the results of follow-up action of Internal Audit Reviews from current and previous years; and
- the acceptance of actions by Management (especially those deemed significant).

It is my opinion that the Authority has an **ACCEPTABLE** control environment in operation in respect of fundamental financial systems reviewed. There are clear Governance arrangements with defined Management responsibilities and Committee Structures in place and the control framework is generally sound and operated reasonably consistently. The Authority has an established Constitution, has developed Policies and approved Financial Regulations that provide advice and guidance to all staff and members.

Where weaknesses have been identified through Internal Audit review, we have worked with management to agree on appropriate corrective actions and a timescale for improvement”.

The recommendations from Internal Audit have been 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 2022/23.

External Audit

The Service’s external audit arrangements are facilitated by Audit Wales in respect of Audit of Accounts; Value for Money; Continuous Improvement; and the Sustainable Development Principle. Audit reports and

certificates of compliance have been presented as required to Performance Audit and Scrutiny Committee and Fire Authority meetings during 2022/23.

Audit Wales, as external auditor to the Authority, review, and comment 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 2022/23 in accordance with statutory timelines, the Authority presented the unaudited Statement of Accounts 2021/22 to Audit Wales for audit. The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of the Authority and the Firefighters' Pension Fund Account and its income and expenditure for the year then ended. Following the audit process, the Auditor General issued an unqualified report on the financial statements in July 2022.

Examination by external 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, *as sufficient to provide an audit opinion in compliance with extant International Auditing Standards and to discharge the Auditor General's statutory duties.*

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.

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 Internal Audit programme referred to in earlier paragraphs obtained assurances from the Service's Executive Board 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 Performance Audit and Scrutiny Committee by the Section 151 Officer, the Monitoring Officer, Internal and External Audit.

Governance issues to be addressed in 2023/24

Over the next twelve months, the Service will continue to deliver critical services to the communities it serves.

Led by the Service's Executive Leadership Team, the outcome of the Service's Cultural Audit will inform a revised Vision, Mission and Values for the Service. Recognising the importance of good organisational governance and decision making, a review of the Service's meeting structure, its decision-making processes, and the way in which it delivers against a set of actions, attitudes, aspirations and expectations, will also be concluded during 2023/24, building on the work that has already commenced during 2022/23.

The impact of spending reductions in the public sector and the settlements received by its constituent local authorities will continue to be carefully considered by the Authority in determining its Medium-Term Financial Strategy. Changes to pension and tax legislation will continue to provide challenges to the Service and the capacity to deal with complex issues with existing resources continues to be of concern.

The Service will continue to monitor the progress being made by Welsh Government in its discussions around the publication of a new Fire and Rescue National Framework for Wales, any new thematic reviews undertaken by the Chief Fire and Rescue Advisor, and any other changes to the way in which we are governed and advise the Authority on any implications for the Service.

We propose, over the coming year, to take actions relating to the above matters and others in order to further enhance our governance arrangements and reassure ourselves that we have robust, procedures, process and arrangements in place to ensure we are fully accountable. An Action Plan summarising the intended approach, 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.

An update on the outstanding actions from previous years' Action Plans is included in Appendix 1.

The Governance Statement

The Authority considers that its governance arrangements for 2022/23 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 CIPFA / SOLACE Delivering Good Governance in Local Government Framework (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 Monitoring Officer and the Section 151 Officer, that the review of the governance arrangements for the financial year 2022/23 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 strategic 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:

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Chair of the Performance, Audit and
Scrutiny Committee

Signed:

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Chief Fire Officer

Appendix 1: Updates on outstanding actions from previous years

Governance	Action	Responsible Officer	Action Start Date	Progress	Target Date
Pension issues currently ongoing which the Authority is addressing	<p>Transitional Protection</p> <p>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>	Head of Human Resources	2021/22	<p>In July 2021, HM Treasury introduced the Public Service Pensions and Judicial Office's Bill (the Bill) to the house of Lords. The Bill is primary legislation that sets out in law how the Government will remove the discrimination contained within the 2015 reforms (referred to as remedy). The Bill is currently moving through the legislative process and Royal Assent was granted in April 2022. The Bill contains the timescales for implementing the remedy by no later than October 2023. Members who have retired or are due to retire prior to legislative arrangements being finalised are considered to be in Immediate Detriment (ID). The</p>	<p>Ongoing.</p> <p>Position as of April 2023 is that the Service has paused any processing of Immediate Detriment pension calculations until new legal advice or guidance is received, as per the Resolution agreed by the Fire Authority in December 2021.</p>



				<p>Service is now faced with the decision of whether to process ID cases ahead of the secondary legislation. The risk to the Service is twofold:</p> <p>If the Service does not process ID cases, there is the risk of legal action being instigated by members.</p> <p>If the Service does process ID cases, there is a financial risk associated with potential tax complexities which may arise from processing ID cases ahead of the required changes to legislation.</p> <p>In November 2021, Members approved the adoption of the Framework for Managing Immediate Detriment (ID) issues.</p> <p>Subsequent to that decision, the Service received</p>	
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				<p>notification that the Home Office had withdrawn their informal guidance relating to processing ID cases, and HM Treasury advised that no ID cases should be processed before new legislation to enact the remedy was in place. The adoption of the Framework is now paused pending receipt of legal advice or guidance being obtained by the Local Government Association (LGA).</p> <p>The Service is engaging their Tax Consultants to provide a package of support relating to ID cases tax issues and working with its Scheme Administrators to determine the financial implications of processing ID cases.</p>	
Welsh Government White Paper on the reform of Fire	Work in collaboration with Welsh Government and	Executive Board / Monitoring Officer to	2021/22	The Service continues to proactively engage with	Ongoing.



and Rescue Authorities in Wales	the other Fire and Rescue Authorities in Wales in order to consider the potential impact of any governance arrangements as a result of the implementation of one or more recommendations contained within the Welsh Governments White Paper on the reform of Fire and Rescue Authorities in Wales.	the Fire and Rescue Authority / Fire Authority Chair		Welsh Government. Once Welsh Government direction of travel is released the Service will implement necessary actions if required.	
Internal Audit recommendations	Reflect on recommendations from Internal Audit and build into action plans.	Relevant Heads of Service	2022/23	Interim monitoring of recommendations by Internal Audit is undertaken by the Service's Business Risk Management Group.	As agreed with Internal Audit.
External Audit recommendations	Reflect on recommendations from External Audit and build into action plans.	Relevant Heads of Service	2022/23	Post a strategic decision to consider, accept and initiate a work stream to implement recommendations from External Audit programmes, interim monitoring of recommendations is now undertaken by the Service's Business Risk	As agreed with External Audit.



				Management Group.	
Fire and Rescue Authority Constitution	<p>Code of Conduct for Members Consider any revisions required to the Authority's Constitution following the publication of the revised Code of Conduct for Members by the Public Ombudsman Wales.</p> <p>Model Constitution Consider any revisions to the Authority's Constitution emanating from the Model Constitution being developed to meet the requirements of the Local Government and Elections (Wales) Act.</p>	Monitoring Officer	2021/22	Revisions of the Authority Constitution were considered, and where appropriate, implemented and approved in line with appropriate governance processes.	Complete
Local Government and Elections (Wales) 2021 Act	Consider any revisions required to the Service's Improvement Planning process following the partial repeal of the Local Government	Monitoring Officer	2021/22	A National Framework Board has been established by Welsh Government who are in the process of drafting a new performance framework for the	Ongoing



	(Wales) Measure 2009 and the introduction of a new performance framework within the Local Government and Elections (Wales) Act 2021.			three Fire and Rescue Services is in Wales. It remains unclear as to when the new Framework will be published.	
Embed learning from Cultural Audit to inform the Service's revised Vision, Mission and Values.	<p>Ensure all learning from the Culture Audit is embedded within the Service's governance and decision-making processes.</p> <p>Ensure the results of the Cultural Audit inform the Service's revised Vision, Mission and Values.</p>	Executive Leadership Team Service Leadership Team	2022/23	Launched in January 2023 with the publication of an online survey to all staff, the process of data gathering concluded on March 24, 2023. Responses have now been collated and will be pulled into a report for consideration by the Service before formulating a delivery action plan.	March 2024
Review organisational governance and decision making.	Facilitate a review of the Service's meeting structure, its decision-making processes, and the way in which it ensures it has delivered against a set of actions, attitudes, aspirations and expectations.	Executive Leadership Team Service Leadership Team	2022/23	The Service's Executive and Senior Management Teams have engaged in workshops with an external provider to identify current challenges and identify possible improvements to the Service's governance processes.	Ongoing



				<p>A report outlining the findings has been received and a further date to discuss the implementation of recommendations has been scheduled for July 2023.</p>	
<p>Coronavirus Pandemic – Lessons Learnt</p>	<p>Consider any recommendations for improvement as lessons are learnt from the Service’s response and recovery to the Coronavirus Pandemic.</p>	<p>Executive and Service Leadership Teams and Heads of Department as relevant.</p>	<p>2021/22</p>	<p>Throughout 2021/22 and 2022/23 the Service has managed a Covid-19 Lessons Learnt Project. Progress on the project has been reported quarterly through the Performance Audit and Scrutiny Committee meeting.</p> <p>In quarter four 2022/23, Covid-19 Lessons Learnt Project came to close, with the project team completing all actions and recommendations. the Performance Audit and Scrutiny Committee will receive a closure report at its meeting in May 2023.</p>	<p>Complete.</p>



<p>Address actions identified as part of the Financial Management Code assessment.</p>	<p>Ensure actions and recommendations identified within the Financial Management Code assessment are considered and addressed as required.</p>	<p>Executive Leadership Team Service Leadership Team</p>	<p>2021/22</p>	<p>The FM Code was developed to guide public sector organisations in managing their finances and the specific standard they should seek to achieve.</p> <p>Throughout 2021/22, a self-assessment was undertaken to determine the extent to which the Authority's financial management arrangements comply with the FM Code.</p> <p>Of the 17 FM standards, the assessment determined that the Authority was "compliant" with 15 FM standards and "largely compliant but some areas for improvement" for two of the standards.</p> <p>Standards G and M will continue to be addressed throughout 2023/24, through</p>	<p>Ongoing</p>
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				the good governance and decision-making review commissioned by the Service and the ongoing development of the Service's Community Risk Management Plan.	
Induction of new Members to the Authority post local elections.	Ensure Members of the Authority receive appropriate induction sessions, training and awareness sessions to ensure the continuation of the Authority's good governance arrangements.	Monitoring Officer Executive Leadership Team Service Leadership Team	2022/23	A significant programme of education and training has been provided to all Authority members, both new and old, during 2022/23 to ensure they fully aware of their roles, responsibilities, duties and expectations as well as the wider work of the Service.	Complete
External Audit recommendations emanating from audit reports connected with other public bodies in Wales.	Reflect and consider good practice recommendations emanating from public audit reports published in connection with other public bodies in Wales.	Relevant Heads of Service	2021/22	Consideration of recommendations emanating from audit reports connected with other public bodies in Wales has taken place and where deemed appropriate, applied.	Complete

Appendix 2: Governance issues to be addressed in 2023/24

Governance	Action	Responsible Officer	Target Date
Prior Years' Action Plans	Review to ensure all actions identified are addressed.	Relevant Heads of Service	See updates in Appendix 1
Internal Audit recommendations	Reflect on recommendations from Internal Audit and build into action plans.	Relevant Heads of Service	As agreed with Internal Audit.
External Audit recommendations	Reflect on recommendations from External Audit and build into action plans.	Relevant Heads of Service	As agreed with External Audit.
Green book job evaluation process	Reflect on the green book job evaluation process and review linked business processes to ensure a robust programme of ongoing assurance around the portfolio of green book roles within the Service.	Director of Resources	December 2023
Introduce a new Service Website	Design, develop and implement a new Service website, ensuring it pays cognisance to and supports the Services' wider governance commitments and ongoing desire to support a robust communication, engagement and consultation programme with communities.	Director of Risk Management and Improvement, Corporate Head of Community Safety and Head of Corporate Communications and Business Development	February 2024
Fire Standards	Reflect on and consider good practice recommendations emanating from the implementation of Fire Standards across Fire and Rescue Service's in England	Relevant Heads of Service	Ongoing



Introduce a new staff appraisal process	A revised appraisal process for staff, aligned to the National Fire Chief Council leadership framework, behaviours and competencies will be launched in 2023/24.	Head of People Development	March 2024
Conduct and implement findings from the Authority's Standards Investigation currently underway	<p>A Standards investigation into the conduct of a previous Fire Authority Member commenced in December 2022 and will progress in to the 2023/24 business year.</p> <p>As part of the hearing, consideration will be given to any learning points and recommendations formulated and shared for actioning by the Fire and Rescue Authority.</p>	Monitoring Officer	December 2023