

**Humberside Fire Authority****ANNUAL GOVERNANCE STATEMENT 2013/14****Scope of Responsibility**

1. The Humberside Fire Authority (HFA) 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, and used economically, efficiently and effectively. The HFA 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.
2. In discharging this overall responsibility, the HFA is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.
3. The HFA 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. A copy of the code is on our website at [www.humbersidefire.gov.uk](http://www.humbersidefire.gov.uk) or can be obtained from the Secretary to the Fire Authority.
4. This statement explains how the HFA has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control and again amended in 2011.

**The purpose of the governance framework**

5. The governance framework comprises the systems and processes, and culture and values, by which the HFA is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the HFA to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
6. 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 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 ongoing process designed to identify and prioritise the risks to the achievement of the HFA's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
7. The governance framework has been in place at the HFA for the year ended 31 March 2014 and up to the date of approval of the Annual Performance Report and [Statement of Accounts](#).

**The Governance Framework 2013/14**

8. The key elements of the HFA's governance framework in respect to 2013/14 included:
  - (a) The Constitution of the Authority which includes:
    - Committee Membership and Terms of Reference;

- Scheme of Delegation to Officers;
  - Financial Procedure Rules;
  - Contract Procedure Rules;
  - Members' Code of Conduct;
  - Officers' Code of Conduct;
  - Protocol for Member and Officer Relationships;
  - Code of Corporate Governance.
- (b) The Governance, Audit and Scrutiny Committee, as well as the HFA itself, received regular reports on the HFA performance and governance arrangements. The Governance, Audit and Scrutiny Committee meets prior to each Authority meeting and also receive papers prior to submission to the Authority to make comment and / or recommendations for the Authority to consider (see paragraph 20 below).
- (c) An approved Corporate Risk/Opportunity Management Strategy and Policy which includes the maintenance of effective Strategic, Board and Directorate Risk Registers.
- (d) An approved 'Local Code of Corporate Governance' in accordance with the CIPFA/SOLACE Framework for Corporate Governance.
- (e) The designation of the Chief Fire Officer as Chief Executive responsible to the HFA for all aspects of operational management.
- (f) The designation of the Director of Finance and Assets as S.151 Officer (Local Government Act 1972) in accordance with Section 112 of the Local Government Finance Act 1988 and conforming with the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government (2010).
- (g) The designation of the Secretary as Monitoring Officer with the requirement to report to the full HFA if it is considered that any proposal, decision or omission would give rise to unlawfulness or maladministration.
- (h) The Performance and Risk Board (P&R Board) has met on 7 occasions. The P&R Board is charged with undertaking a strategic overview of the HFA control environment, the response to external audit, performance management, strategic planning and scrutiny of Risk and Opportunity Management.
- (i) The production of monthly [Management Accounts and Prudential Indicators](#) which are distributed to all Members of the Corporate Management Team and are considered at the monthly Governance, Audit and Scrutiny Committee meetings and the HFA.
- (j) The Service and Finance Planning process.
- (k) An approved [Asset Management Strategy and Asset Management Plans](#) for HFA assets.
- (l) In accordance with the Service Business Planning Framework the Strategic Plan and Integrated Risk Management Plan (IRMP) for 2014/17 ensure three future years looking plans, linked to financial planning. The Strategic Plan and IRMP 2014/17 were approved by HFA in March 2014, following a six week period of public and internal consultation.

- (m) The [Strategic Plan 2014/17](#) includes Strategic Objectives, Strategic Performance Indicators, Directorate responsibilities, and the responsibilities of the internal Management Delivery Boards.
- (n) The [IRMP 2014/17](#) takes account of the requirements of the National Framework (2012), providing a detailed assessment of the risks facing our communities and firefighters and the measures taken to mitigate those risks.
- (o) Publicised the [Anti-Fraud and Corruption Policy](#).
- (p) Promoted [Whistleblowing Policy](#).
- (q) Promoted the Gifts and Hospitality Policy.
- (r) Subscription to Public Concern at Work.
- (s) The work of the Partnership Forum in identifying and evaluating partnership arrangements.
- (t) Member and Officer Development Programmes.
- (u) Six planned Member Days and the ability to extend that at the request of members.
- (v) An approved Treasury Management Policy and Prudential Indicators.
- (w) An approved HFA Performance Management Framework.
- (x) A Protective Security Group, reporting to The Infrastructure Board.
- (y) Maintenance of the ISO 14001 Environmental Management Standard.
- (z) Maintenance of the Fire and Rescue Service Equality Framework.
- (aa) The Governance, Audit and Scrutiny Committee, as well as the HFA itself, receives regular reports on the performance of HFR Solutions, Community Interest Company.
- (bb) The approval of the [Service Vision 2020](#).
- (cc) Three key [Strategies](#) for delivering the Vision. These are the Operations Strategy, the People Strategy and the Community Safety and Inclusion Strategy.
- (dd) The approval of a policy and procedure regarding the Community Right to Challenge (Localism Act), enforced June 2012.
- (ee) The adoption of a new Member Code of Conduct and Procedure in Support.
- (ff) Operational Assessment by annual self-assessment and three yearly [peer audit, conducted in March 2013](#).
- (gg) An annual [Customer Service Excellence Audit](#), conducted in January each year
- (hh) [Annual Performance](#) and Quarterly Performance Reports.

## Review of Effectiveness

9. The HFA 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 managers within the Authority who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.
10. The HFA reviewed the effectiveness of the GAS Committee and its membership in March 2014 (see paragraph 20 below).
11. During 2013/14 there were four editions of the Strategic Risk Register established by the Corporate Management Team.
12. The Governance, Audit and Scrutiny Committee throughout 2013/14 received reports from Internal Audit in respect to the internal control environment. The internal audit plan is informed significantly by the Strategic Risk Register.
13. The induction and training of new Members during 2013/14 has further enabled Members to discharge the functions of the HFA.
14. From the AGM on 24 May 2013 to the end of the 2013/14 cycle, the [HFA Committees](#) met as follows:-

HFA	9 occasions
HFA Special Meetings	2 occasions
Appointments Committee	2 occasions
Governance Audit and Scrutiny	8 occasions

15. Members of the Governance, Audit and Scrutiny Committee received Management Accounts for review.
16. The review of the effectiveness of the system of internal control is informed by:
  - The work of Senior Officers
  - The work of Internal Audit
  - The Corporate Risk Opportunity Management Strategy
  - Performance information
  - The Audit Commission in their Annual Governance Letter and other reports
17. Internal Audit has undertaken a number of reviews during 2013/14. The following areas were covered:
  - Key Financial Systems
    - Payroll
    - Creditor Payments
    - Budgetary Control
    - General Ledger
    - Treasury Management
  - Operational/ Support Systems
    - Pensions
    - Station review – Financial Management
    - ICT backup and recovery

- Strategic Reviews  
Operational Efficiency Review  
Collaboration and Commissioning  
Governance Structures

18. The Internal Audit Annual Report 2013/14 identifies that the Service has an adequate, effective and reliable framework of internal control. This is evidenced by the fact that there were no 'high priority' recommendations identified in the 2013/14 year and that all reviews in the year were rated as 'adequate' except in the case of one which was given a 'substantial' assurance rating.
19. The effectiveness of the governance framework is considered throughout the year by the Corporate Management Team, the Governance, Audit and Scrutiny Committee and the Fire Authority. Much of this is discharged through internal reports such as the monthly Management Accounts and the quarterly performance reports as well as the work of internal and external audit. Any significant issues are captured via the risk management system and considered by the Fire Authority where appropriate.
20. We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Corporate Management Team and the Governance, Audit and Scrutiny Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas to be specifically addressed with new actions planned are outlined below.

### **Significant Governance Issues 2013/14**

21. Revised terms of reference for the Governance, Audit and Scrutiny Committee will be considered at the April 2014 Fire Authority meeting. The important audit and governance roles will continue with a change in the focus of the scrutiny role. This could for example entail the Committee agreeing a programme for the year with the Corporate Management Team and the Fire Authority of two or three areas that will be reviewed and scrutinised in depth. This potential change in focus will be discussed by the Fire Authority in April and, subject to approval, will then again be reviewed at the end of 2014/15.
22. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

### **Conclusions**

23. This Annual Governance Statement for 2013/14 provides Members with a high level of assurance on the Authority's governance arrangements.

### **Signed**

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Chair of the Authority

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Chief Fire Officer and Chief Executive

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S.151 Officer

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Secretary and Monitoring Officer

