

**Governance, Audit and Scrutiny Committee
9 April 2018**

**Report by the Corporate Planning
and Performance Manager**

DRAFT ANNUAL GOVERNANCE STATEMENT 2017/18

REPORT EXECUTIVE SUMMARY

The CIPFA/SOLACE good governance framework brought together a number of governance principles and requirements, including replacing the previous Statement of Internal Control with a new Annual Governance Statement (AGS) from 2007/08.

This paper sets out a draft AGS in respect to 2017/18. Given the content of the Statement, it is felt desirable that the Governance, Audit and Scrutiny Committee should specifically review the AGS separate from the Annual Accounts, although the AGS will form part of the Annual Accounts once approved in July 2018.

It is also desirable that the Committee receive this report in advance of the draft Annual Accounts at the June 2018 Governance, Audit and Scrutiny Committee meeting.

RECOMMENDATIONS

1. The Committee is asked to review the Annual Governance Statement for 2017/18 and make any recommendations to the Fire Authority as necessary.

THE ANNUAL GOVERNANCE STATEMENT – A REFRESHER

2. Regulation 4 of the Accounts and Audit Regulations 2003 required the Humberside Fire Authority to conduct an annual review of the effectiveness of its system of internal control and publish a Statement of Internal Control (SIC) up until 2006/07.
3. From 1 April 2007 the SIC was replaced by the AGS. Guidance was issued by the CIPFA Finance Advisory Network in respect to the production of the AGS. In addition, guidance has also been set out in the CIPFA/SOLACE good governance framework.
4. The six key principles of good governance as laid down in the 2007 framework have been reviewed within the 2016 framework and re-issued as seven key principles:
 - (i) Behaving with integrity, demonstrating strong commitment to ethical values. And respecting the rule of law.
 - (ii) Ensuring openness and comprehensive stakeholder engagement.
 - (iii) Defining outcomes in terms of sustainable economic, social, and environmental benefits.
 - (iv) Determining the interventions necessary to optimise the achievement of the intended outcomes.
 - (v) Developing the entity's capacity, including the capability of its leadership and the individuals within it.
 - (vi) Managing risks and performance through robust internal control and strong public financial management.
 - (vii) Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
5. In essence the AGS is the formal Statement (signed by the Chairperson of the Humberside Fire Authority, the Chief Fire Officer and Chief Executive and the Statutory Officers) that recognises, records and publishes the governance arrangements of the Humberside Fire Authority in line with that new framework. The AGS is much broader than the SIC, although the overall assurance process remains. The AGS must reflect the governance framework.
6. The assurances in respect to the AGS derive from the following:-
 - Internal Audit
 - S.151 Officer
 - Secretary/Monitoring Officer
 - Corporate Management
 - Members
 - External Audit – through assessment
 - Third parties, including partnership arrangements
7. There is no model AGS, but rather the Guidance sets out best practice in developing an AGS.
8. The production of the AGS dovetails strongly with corporate risk management and the Annual Audit Report from Internal Audit.

9. Attached at Appendix 1 is the draft AGS. This is in draft form at present and will be concluded in readiness for the approval of the Annual Accounts in July 2018.

STRATEGIC PLAN COMPATIBILITY

10. This report links with governance, which is an enabler of the current Strategic Plan.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

11. None arising directly.

LEGAL IMPLICATIONS

12. This report and attachments ensures that the Fire Authority complies with regulation 4(2) of the Accounts and Audit Regulations 2003 as amended 2006 and 2011.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

13. None arising directly.

CORPORATE RISK MANAGEMENT IMPLICATIONS

14. There are no direct corporate risk management implications arising from this report. The report forms part of the governance arrangements of the Authority.

HEALTH AND SAFETY IMPLICATIONS

15. None arising directly.

COMMUNICATION ACTIONS ARISING

16. None arising directly.

DETAILS OF CONSULTATION

17. Consultation in producing the AGS has taken place with CMT.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

18. CIPFA/SOLACE – Delivering Good Governance in Local Government – Framework and Guidance Note for English Authorities.

RECOMMENDATIONS RESTATED

19. The Committee is asked to review the Annual Governance Statement for 2017/18 and make any recommendations to the Fire Authority as necessary.

S RHODES

Officer Contact: Simon Rhodes ☎ 01482 567479
Corporate Planning and Performance Manager

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

SR
9 April 2018

