

**Governance, Audit and Scrutiny Committee
11 April 2016**

**Report by the Corporate Planning
and Performance Manager and
Monitoring Officer/Secretary**

DRAFT ANNUAL GOVERNANCE STATEMENT 2015/16

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 2015/16. 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 2016.

It is also desirable that the Committee receive this report in advance of the draft Annual Accounts at the June 2016 Governance, Audit and Scrutiny Committee meeting.

RECOMMENDATIONS

1. The Committee is asked to review the Annual Governance Statement for 2015/16 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. Members are aware of the six key principles of good governance as laid down in the framework:
 - (i) Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
 - (ii) Members and officers working together to achieve a common purpose with clearly defined functions and roles.
 - (iii) Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
 - (iv) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
 - (v) Developing the capacity and capability of members and officers to be effective.
 - (vi) Engaging with local people and other stakeholders to ensure robust public 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 2016.

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 2015/16 and make any recommendations to the Fire Authority as necessary.

**S RHODES
M BUCKLEY**

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

Mathew Buckley ☎ 01482 567174
Monitoring Officer & Secretary

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

SR
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