

Meeting: Corporate Governance Committee

Date: 13th September 2017

Subject: Draft Annual Governance Statement 2016/17

Report By: The Treasurer

Author: Adam Stretton (Area Manager Finance and ICT)

For: Decision

1. Purpose

The purpose of this report is to present the Draft Annual Governance Statement (AGS) 2016/17.

2. Recommendations

The Committee is asked to recommend approval to the Combined Fire Authority (CFA) on the Draft AGS 2016/17 and for its publication with the Statement of Accounts.

3. Executive Summary

The CFA is committed to good corporate governance and complies with the CIPFA/SOLACE “Delivering Good Governance Framework” (2016). The Framework requires local authorities to be responsible for ensuring that:

- Their business is conducted in accordance with all relevant laws and regulations
- Public money is safeguarded and properly accounted for
- Resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people

4. Report Detail

4.1 The national Framework for completion of the AGS was updated in 2016 to be implemented with the 2016-17 statement of accounts. The new framework introduced seven core principles that are reflected in the published Local Code of Governance at <http://www.leicestershire-fire.gov.uk/your-fire-service/policies-and-procedures/cfa-members-and-governance/>

4.2 The Framework urges Local Authorities to review and report on the effectiveness of their governance arrangements, with an increased emphasis on a strategic approach focusing on outcomes and value for money, driven by the significant change being experienced in Local Government and the introduction of other key

legislation. The AGS is an important statutory requirement which enhances public reporting of governance matters.

- 4.3 A draft AGS 2016-17 is attached as the Appendix. This has been compiled in a new format (to that from 2015-16) that is shorter and more user friendly. Self-assessment guidance has been followed to ensure that the document meets the requirements of the Code.
- 4.4 Guidance states that the 'Significant Governance Issues' are those that:
- Seriously prejudice or prevent achievement of a principal objective of the CFA.
 - Have resulted in the need to seek additional funding to allow these issues to be resolved, or has resulted in the significant diversion of resources from another aspect of the business.
 - Have led to a material impact on the accounts.
 - The Corporate Governance Committee advises should be considered significant for this purpose.
 - The Head of the Internal Audit Service reports on as significant in the annual opinion on the internal control environment.
 - Have attracted significant public interest or have seriously damaged the reputation of the organisation.
 - Have resulted in formal action being undertaken by the Treasurer and/or the Monitoring Officer.
- 4.5 Part 3 of the AGS at the appendix covers significant governance issues. There are two tables: the first being an update of actions from issues identified in the 2015/16 AGS and the second table covering new issues identified within 2016/17. This includes detail of follow up actions arising from the internal audit of Brigade Management's compliance with appropriate conditions of service, policies and procedures where two high importance recommendations were made.
- 4.6 The draft AGS has been considered by the Chief Fire and Rescue Officer, the Treasurer and the Monitoring Officer who share responsibility for ensuring the necessary financial and governance controls are in place.
- 4.7 The Head of the Internal Audit Service has produced the annual internal audit opinion on the overall adequacy and effectiveness of the control environment 2016/17 operated by the CFA. Based on an objective assessment of the results of individual audits undertaken, actions by management thereafter, and the professional judgement of the HoIAS in evaluating other related activities, overall reasonable assurance was given over the adequacy and effectiveness of the CFA control environment. The assurances contained in this opinion are incorporated into the AGS.
- 4.8 Approval and ownership of the AGS will be reflected at corporate level by the Senior Management Team. The statement will be signed on behalf of the CFA by the Chief Fire and Rescue officer, the Treasurer and the Chair of the CFA.

5. Report Implications / Impact

5.1 *Legal (including crime and disorder)*

This statement is produced in fulfilment of the requirements under the Accounts and Audit (England) Regulations 2015, to prepare an annual governance statement.

5.2 *Financial (including value for money, benefits and efficiencies)*

These are contained within the report.

5.3 *Risk (including corporate and operational, health and safety and any impact on the continuity of service delivery)*

The Accounts and Audit (England) Regulations 2015 require the approved AGS to accompany the Statement of Accounts. The statement is separate from the accounts for the purposes of external audit.

5.4 *Staff, Service Users and Stakeholders (including the Equality Impact Assessment)*

The arrangements for the posts of Treasurer, Monitoring Officer and Chief Fire Officer are reflected within the AGS.

5.5 *Environmental*

Hard copies of the Annual Report (which will include the Statement of Accounts) are only produced on request. An electronic copy is available on the CFA's website.

5.6 *Impact upon Our Plan Objectives*

One of the CFA's corporate aims is achieving excellence in managing our Service. This is underpinned by the objective of efficiency and provision of a Value For Money service. The production of the AGS supports both the aim and objective.

6. Background Papers

- a) Statement of Accounts and Annual Governance Statement 2015/16 (CFA Report – 29th September 2016)

7. Appendices

Draft Annual Governance Statement 2016/17