

Hampshire Fire and Rescue Authority

Item: 6

Standards and Governance Committee

6 June 2014

Annual Governance Statement 2013/14

Report of the Chief Officer

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1 Summary

- 1.1 The Annual Governance Statement summarises the Authority's corporate governance arrangements. It is produced to satisfy accounting and audit regulations and has been prepared using guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Statement takes into account guidance issued in March 2010 from CIPFA relating to the role of the chief financial officer. The draft statement is attached as Appendix 1.
- 1.2 No significant governance issues have been identified. The actions for further improvement in 2014-15 are listed in paragraph 12 of the draft Annual Governance Statement.
- 1.3 After consideration and approval by the Standards and Governance Committee, the statement must be signed by the Chairman of the Authority and the Chief Officer. It forms part of the Annual Statement of Accounts.

2 Recommendation

- 2.1 That the Annual Governance Statement 2013/14 (set out as Appendix 1 to this report) be approved for inclusion in the Annual Statement of Accounts for 2013/14.

3 Background

- 3.1 Under the Accounts and Audit (England) Regulations 2011 the Authority is required to conduct a review at least once a year of the effectiveness of its system of internal control. The findings of that review must be considered by a committee of the Authority, or by the Members of the Authority as a whole. An annual governance statement, prepared in accordance with "proper practices in relation to internal control", must be approved. The approved statement must then accompany the Authority's Statement of Accounts.

- 3.2 The “proper practices”, in accordance with which the Annual Governance Statement is to be prepared, are set out in guidance to local authorities issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief executives (SOLACE).

4 Guidance

- 4.1 The guidance advises that governance arrangements should be assessed against the following core principles:
- focusing on the purposes of the Authority and on outcomes for the community and on creating and implementing a vision for the local area;
 - Members and officers working together to achieve a common purpose with clearly defined functions and roles;
 - promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
 - taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
 - developing the capacity and capability of Members and officers to be effective;
 - engaging with local people and other stakeholders to ensure robust public accountability; and
 - ensuring the Authority’s financial management arrangements conform with the governance requirements of the CIPFA Statement on the role of the chief financial officer in local government.

5 Resource implications

- 5.1 Other than the time spent by the officers and members in preparing the statement, there are no significant additional resources arising from the recommendation.

6 Risk analysis

- 6.1 The process of producing the Annual Governance Statement involves reviewing the effectiveness of a wide range of controls and measures that are indicators of the effectiveness of the Authority’s framework for good corporate governance. This process therefore contributes to the Authority’s risk management regime.
- 6.2 Failure to provide the statement would undoubtedly lead to a qualified opinion by our external auditors with inevitable damage to the Authority’s reputation.

7 People impact assessment

- 7.1 The proposals in this report are considered compatible with the provisions of the equality and human rights legislation.

Background information [Section 100D - Local Government Act 1972]

The following documents disclose facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report.

- The CIPFA Finance Advisory Network: Annual Governance Statement - Rough Guide for Practitioners
- Application Note to Delivering Good Governance in Local Government: a Framework – published by CIPFA March 2010

Appendix 1: Annual Governance Statement 2013/14