

**TO:** Overview and Scrutiny Committee

**FROM:** Deputy Chief Executive Officer - Matthew Warren

**PRESENTING OFFICER(S):** Deputy Chief Executive Officer - Matthew Warren

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## **DRAFT ANNUAL GOVERNANCE STATEMENT 2021/22**

### **1. Purpose**

- 1.1 The purpose of this report is to provide the Overview and Scrutiny Committee with a draft Annual Governance Statement (AGS) for 2021/22 for scrutiny and comment.

### **2. Recommendations**

- 2.1 In accordance with the current Cambridgeshire and Peterborough Fire Authority Terms of Reference, the Committee is asked to;
- (a) Scrutinise the AGS, attached at Appendix 1 and make comment as appropriate,
- (b) Recommend to the Authority that the AGS is approved for external publication.

### **3. Risk Assessment**

- 3.1 **Legal** – the Authority has a responsibility to comply with the Accounts and Audit Regulations 2015 (as amended), as well as having regard to the requirements of the Delivering Good Governance in Local Government Framework 2016 (CIPFA/SOLACE). The AGS sets out how we comply with the legislation and framework and identifies any areas for improvement in the coming year.

### **4. Background**

- 4.1 The Accounts and Audit Regulations 2015 (as amended) set out requirements relating to the Authority's systems of internal control and the annual review and reporting of those systems.
- 4.2 The regulation requires all local authorities to have a sound system of internal control, which includes how risks are managed. Additionally, all local authorities must conduct a review of their internal control effectiveness at least annually. Following this review, the Authority must approve an AGS that accompanies the Statement of Accounts.

## 5. Governance

- 5.1 Governance is about doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. Good governance underpins good performance, stewardship of public money and public engagement; ultimately, good governance enables good outcomes for citizens and service users.
- 5.2 The CIPFA/SOLACE framework provides a structure on how local authorities approach governance and guidance on the structure and layout of an AGS which we have incorporated where appropriate in the production of Appendix 1.
- 5.3 The framework sets out the following governance requirements that an authority must ensure are in place;
- Its policies are implemented in practice,
  - Its values and ethical standards are met,
  - Laws and regulations are complied with,
  - Required processes are adhered to,
  - Financial statements and other published information are accurate and reliable,
  - Human, financial and other resources are managed effectively and efficiently,
  - High quality services are delivered efficiently and effectively.
- 5.4 In order to meet the framework, local authorities are expected to do the following;
- Review the existing arrangements against the framework,
  - Maintain a local code of governance including arrangements for ensuring its on-going application and effectiveness,
  - Prepare an AGS in order to report publicly on the extent to which they comply with their own code on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year and on any planned changes in the next period.
- 5.5 Since the last AGS, CIPFA has published a guidance bulletin concerning the closure of the 2021/22 financial statements. In December 2021, the Department for Levelling-up, Housing and Communities (DLUHC) announced an intention for the following dates to apply for the 2021/22 accounts and audit process in England;
- 31 July - publication of the unaudited statement of accounts,
  - 30 November - publication of the audited statement of accounts.

- 5.6 If publication is not possible by these dates then the Accounts and Audit Regulations 2015 (as amended), require several actions to be taken.
- 5.7 The bulletin also states that authorities should continue to consider the impact of the COVID-19 pandemic on their governance arrangements. The Service has been cognisant of both the financial and pandemic reporting requirements in the production of its AGS.

## BIBLIOGRAPHY

Source Documents	Location	Contact Officer
Delivering Good Governance in Local Government Framework 2016 (CIPFA/SOLACE)  Accounts and Audit Regulations 2015 (as amended)  CIPFA Financial Management Code 2019  CIPFA Bulletin 10	Hinchingsbrooke Cottage Brampton Road Huntingdon	Matthew Warren 01480 444619 <a href="mailto:matthew.warren@cambsfire.gov.uk">matthew.warren@cambsfire.gov.uk</a>