Agenda Item No. 6

TO: Overview and Scrutiny Committee

FROM: Deputy Chief Fire Officer – Jon Anderson

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DRAFT ANNUAL GOVERNANCE STATEMENT 2023/24

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 2023/24 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;

2.1.1 scrutinise the AGS, attached at Appendix 1 and make comment as appropriate,
2.1.2 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 Timely, high quality financial reporting and the audit of local bodies is a vital part of our democratic system supporting good decision making and ensuring accountability and transparency. Following the general election our external auditor, Ernst and Young LLP, is awaiting guidance from the Department for Levelling-up, Housing and Communities (DLUHC)*, the National Audit Office and CIPFA what the priorities of the new Government and their intentions for local government financial reporting and audit requirements will be.

5.6 An audit planning report for year ending 31 March 2024 was presented to the Overview and Scrutiny Committee by Ernst and Young LLP on 25 July 2024 (Minute 91 refers); the Authority will work closely with the external auditor to ensure compliance with any deadlines once known.

5.7 Significant issues that may affect governance of the Authority are covered in Paragraphs 5 and 6 of Appendix 1.

* DLUHC previously laid a Statutory Instrument (2022 No. 708) detailing the date by which accounts should be closed and published; this date is not later than 30 September for financial years 2022 to 2027 inclusive.

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 Bulletins 13, 14, 16 and 17 Overview and Scrutiny Committee Minutes 25 July 2024	Hinchingbrooke Cottage Brampton Road Huntingdon	Jon Anderson Deputy Chief Fire Officer 01480 444619 jon.anderson@cambsfire.gov.uk