

Appendix 1 DRAFT ANNUAL GOVERNANCE STATEMENT 2015/16

1. Scope of Responsibility

- 1.1 The Fire Authority (the Authority) has a responsibility to ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. To do this the Authority must ensure that proper arrangements exist for the governance of its affairs. This includes maintaining a sound system of internal control and that robust arrangements for the management of risk are in place.
- 1.2 This Annual Governance Statement sets out how the Authority has complied with these requirements and also the requirements of regulation 6(2), (3) and (4) of the Accounts and Audit Regulations 2015.

2. The Purpose of the Governance Framework

- 2.1 Governance is about how the Authority ensures that it is doing the right thing, in the right way for the right people in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, cultures and values, by which the Authority is directed and controlled and through which it accounts to and engages with its communities.
- 2.2 The system of internal control is designed to manage risk to a reasonable level (rather than to eliminate all risk). The Authority maintains a sound system to protect against risks and mitigate their impact. The systems are regularly reviewed and updated.

3. Key Elements of the Governance Framework and Internal Control System

- 3.1 The Authority has adopted a Code of Corporate Governance, which sets out how the Authority promotes good governance. A copy of the code is available at hwfire.cmis.uk.com/hwfire/Documents/DocumentLibrary.aspx or may be obtained from Hereford & Worcester Fire and Rescue Service Headquarters, 2 Kings Court, Charles Hastings Way, Worcester, WR5 1JR.
- 3.2 The Authority has established the following protocols and processes to ensure a robust internal control system and governance framework are in place:
 - **Constitution** - defines the roles and responsibilities of the Authority, Committees, Members and Officers and the protocols to be followed. The Constitution is published at: hwfire.cmis.uk.com/hwfire/Documents/DocumentLibrary.aspx
 - **Audit & Standards Committee** - reviews arrangements for identifying and managing the Authority's business risks and the approval of policies in respect of the Authority's governance framework.

- **Monitoring Officer** - provides advice on the scope of the powers and responsibilities of the Authority. The Monitoring Officer has a statutory duty to ensure lawfulness and fairness of decision making and also to receive allegations of breaches of the Code of Conduct by Authority Members.
- **Chief Financial Officer (Treasurer)** - ensures the sound administration of the financial affairs of the Authority, as required by the statutory duties associated with s.151 of the Local Government Act 1972, the Local Government Finance Act 1988 and the Accounts and Regulations 2011.
- **Ethical Framework and Code of Conduct** - in place for all staff and familiarisation is included in the local induction.
- **Members' Code of Conduct and Registers of Interests** – a local Code of Conduct for all Members has been agreed by the Authority and a Register of Financial Interests for each Member can be viewed on the profile pages at <https://hwfire.cmis.uk.com/hwfire/AuthorityMembers.aspx>
- **Whistleblowing Policy** - in place for receiving and investigating complaints from staff and/or contractors.
- **Complaints System** - in place for receiving and investigating complaints from the public. The procedure is published at www.hwfire.org.uk/your-right-to-know/comments-and-complaints/
- **Fire Authority Annual Report** (Corporate Plan) - incorporates the annual performance of the Authority, the future outlook and objectives for the forthcoming year in addition to performance over the previous year. The Report is published at www.hwfire.org.uk/your-right-to-know/our-publications/
- **Performance Management Framework** - measures the quality of service for users ensuring that it is delivered in accordance with the Authority's objectives and best use of resources.
- **Risk Management Strategy** - ensures that the Authority identifies strategic risks and applies the most cost effective control mechanisms to manage those risks.
- **Business Continuity Plan** - incorporates the risk management system.
- **Strategic Risk Register** - identifies controls to mitigate inherent identified risks and is monitored on an on-going basis with exception reporting to the Senior Management Board and to the Audit & Standards Committee.
- **Departmental Risk Registers** - reviewed throughout the year.

- **Internal Auditors** - Worcestershire Internal Audit Shared Service Audit Team provides the internal audit function for the Authority.
- **External Auditors** - Grant Thornton UK LLP provides the external audit services to the Authority.

4. Review of Effectiveness

- 4.1 The Authority has prepared the Annual Governance Statement in accordance with the “Delivering Good Governance in Local Government Framework” published by CIPFA (Chartered Institute for Public Finance and Accountancy). As part of the process the Audit & Standards Committee [will consider] the self-assessment review of its corporate governance arrangements against the CIPFA framework to ensure that the Authority’s governance arrangements are working correctly and are relevant to the current environment.
- 4.2 The Authority is satisfied that its financial management arrangements conform with the governance requirements of the CIPFA Statement of the Role of the Chief Financial Officer in Local Government. In addition, the key financial systems are continually reviewed by the Internal Auditor. There were no major weaknesses identified in the 2015/16 financial year.
- 4.3 Budget Monitoring reports have been presented to the Policy and Resources Committee throughout the financial year and have shown that the budget pressures are being controlled within the overall total and final out-turn is consistent with those reports.
- 4.4 The Chief Financial Officer and the Monitoring Officer have provided assurances on their respective areas of statutory responsibility. All Members of the Senior Management Board have also provided assurances on their areas of responsibility.
- 4.5 The Monitoring Officer received no complaints regarding member conduct in 2015/16.

5. Significant Governance Issues

- 5.1 Based on the information provided above there are no significant governance issues identified at this time. We are satisfied that the need for improvements will be addressed and we will thereafter monitor the implementation and operation of any agreed recommendations as part of our next annual review.

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Chief Fire Officer/Chief Executive

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Chairman of the Fire Authority

Date: 27 September 2016