

Appendices - Annual Governance Statement

1. Scope of Responsibility

- 1.1 The Fire and Rescue Authority (FRA) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The FRA also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the FRA is also responsible for ensuring that proper arrangements exist for the governance of its affairs and facilitating the exercise of its functions, which includes ensuring a sound system of internal control is maintained throughout the year and that includes arrangements for the management of risk.
- 1.3 This statement explains how the FRA has complied with these requirements and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control
- 1.4 In considering its Governance Arrangements the FRA compares and evidences activity against best practice as contained within the CIPFA/SOLACE publication "Corporate Governance in Local Government – A Keystone for Community Governance". This was last reviewed by the FRA on 26th June 2009

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises of the systems and processes, and culture and values by which the FRA is directed and controlled. It includes the activities through which it accounts to, and engages with, the community. It enables the FRA to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services, including achieving value for money.
- 2.2 The system of internal control is designed to manage risk to a reasonable level (rather than to eliminate all risk) to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the FRA's policies, aims and objectives. It evaluates the likelihood of those risks being realised and the subsequent impact should they be realised, and to ensure they are managed efficiently, effectively and economically. The FRA has always maintained a sound system to protect against risks and mitigate their impact upon the Authority. The systems are constantly being reviewed and updated.
- 2.3 The governance framework has been in place at the Authority for the year ended 31 March 2009 and up to the date of approval of the Statement of Accounts.

3. The Governance Framework

- 3.1 The FRA's governance Framework comprises the many systems, policies, procedures, operations and reviews to:
- 3.2 Establish Statutory and Organisational Obligations and Objectives
 - The objectives of the FRA (which are informed by the views of the communities served, the Fire and Rescue Services Act, the National Framework Document and other relevant sources) are embodied in the Integrated Risk Management Plan (IRMP) and Corporate Plan.
 - The FRA has a robust process for establishing priorities using a risk based approach.
 - The FRA has an integrated and developing performance management process from individual Watch, Station and departmental plans, through to the overall corporate level.
- 3.3 Identify Principal Risks to Achievement of Objectives
 - During 2008/09, the FRA reviewed and amended the corporate Risk Register as necessary.

Appendices - Annual Governance Statement

- A similar exercise was carried out for each departmental risk register, in regard to lower level risk, which is linked to the Corporate Risk Register.
- During 2008/09 significant progress was made in developing Business Continuity arrangements; strategically for the FRA and the wider community as well as at a departmental level.
- The profile of risk management and business continuity has been raised further by the appointment of an FRA Member as Risk Champion.

3.4 Identify Key Controls to Manage Risk

The FRA has identified mitigation measures against all identified risk and has, in addition, well established and embedded controls to manage risk as follows;

- A Scheme of Delegation
- A Code of Corporate Governance
- A Code of Conduct for Members and Officers
- Financial Regulations
- Contract Standing Orders
- An Anti-Fraud and Corruption Policy
- An Anti-Money Laundering Policy
- A Whistle Blowing Policy

3.5 Obtain Assurance on the Effectiveness of Controls

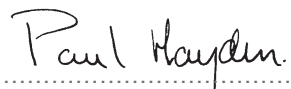
- The FRA has carried out a review of the above mentioned processes to ensure that they are both working correctly and relevant to the current environment.
- The FRA has a clear and well established Performance Management regime that provides relevant information to Officers and Members on the achievement of Corporate Objectives on a regular basis throughout the year.
- The process of reviewing key financial systems by the Internal Audit provider is a continuous one and no major weaknesses have been identified in the 2008/09 financial year.
- Budget Monitoring reports have been presented to Members 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.
- The Chief Executive and Chair have received assurances from Principal Officers and Risk Owners, that controls are operating as expected.
- The S151 and Monitoring Officers have provided reassurances on their respective areas of statutory responsibility.
- Additionally during 2008/09 the FRA has been subject to an extensive external review of its performance and use of resources, by the Audit Commission. This included an assessment of risk management arrangements. The overall ratings given to the Authority was "Improving Strongly" and "Performing Well" respectively.
- The Charter Mark annual inspection process again confirmed that the FRA continued to be effective.

4.0 Significant Internal Control Issues

- 4.1 Based on the evidence identified in Section 3.5 there are no significant internal control weaknesses identified.


.....

Brigadier Peter Jones CBE
Chairman of the Fire and Rescue Authority


.....

Paul Hayden
Chief Fire Officer / Chief Executive

Date: 30 June 2009