

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	POLICY AND RESOURCES COMMITTEE		
DATE:	25TH JULY 2019	REPORT NO:	CFO/042/19
PRESENTING OFFICER	IAN CUMMINS, DIRECTOR OF FINANCE		
RESPONSIBLE OFFICER:	IAN CUMMINS	REPORT AUTHOR:	IAN CUMMINS
OFFICERS CONSULTED:	STRATEGIC LEADERSHIP TEAM		
TITLE OF REPORT:	THE ANNUAL GOVERNANCE STATEMENT 2018/2019		

APPENDICES:	APPENDIX A:	2018/19 ANNUAL GOVERNANCE STATEMENT (AUDIT COMMITTEE REPORT)
	APPENDIX B:	UPDATED 2018/19 ANNUAL GOVERNANCE STATEMENT

Purpose of Report

1. The purpose of this report is to present to Members the Authority's revised 2018/19 Annual Governance Statement following comments received from external audit (Grant Thornton). This statement fulfils the Authority's statutory requirement to prepare a statement of internal control in accordance with proper practice, and in doing so presents an annual review of the effectiveness of the current arrangements.

Recommendation

2. That Members approve the revised 2018/2019 Annual Governance Statement.

Introduction and Background

3. The Annual Governance Statement (AGS) is the formal statement that recognises, records and publishes a Council or Authority's governance arrangements.
4. The Audit Committee on 6th June 2019 approved the 2018/19 AGS, attached as Appendix A. However, the Authority's Auditor (Grant Thornton) has advised that additional statements on the view and certification of the AGS by those signing off the statement must be included in the AGS. The additional extracts below have now been included in the revised AGS:-

4.7 Year-end Review

- 4.7.1 The current governance and internal control arrangements continue to be reviewed and refined on an ongoing basis and that they continue to be regarded as fit for purpose in accordance with the governance

framework. This review provides an acceptable overall assurance of the effectiveness of the Authority's system of internal control.

CERTIFICATION

- 5.0 To the best of our knowledge, the governance arrangements, as defined above, have been operating during the year and up to the date of the approval of the Annual Accounts, providing an effective framework for identifying governance issues and taking mitigating action. Over the coming year the Authority will continue the operation of its governance framework and take steps to carry out the actions for managing any governance issues identified above or that materialise in the year.
5. Attached as Appendix B to this report is the revised 2018/19 AGS which explains the processes and procedures in place to enable the Authority to carry out its functions effectively.
 6. The AGS also links into the Annual Statement of Assurance by providing assurance about the Authority's governance framework.
 7. The CIPFA/SOLACE – Delivering Good Governance in Local Government Framework is deemed to represent best practice in relation to internal control. This framework recommends that the review of the effectiveness of the system of internal control should be reported as part of the AGS. The annual review of the effectiveness of the Authority's internal control system has been undertaken and, in accordance with the CIPFA guidance, incorporated in the attached AGS. The AGS identifies the ways in which the Authority has ensured that its control mechanisms are adequate during the year, including internal and external audit. The overall conclusion of the AGS is that the system of internal control is adequate (any control system can provide only reasonable assurance and not absolute assurance).

Equality and Diversity Implications

8. Good governance and sound internal control includes having effective practices to manage equality and diversity issues.

Staff Implications

9. There are no staff implications arising from this report.

Legal Implications

10. Regulation 6(1) of the Accounts and Audit (England) Regulations 2015 requires that the relevant body must conduct a review at least once a year of the effectiveness of its system of internal control and to prepare a statement on internal control in accordance with proper practices. Regulation 6(2) require that the findings of a review of an organisation's system of internal control is to be considered by a Committee of the relevant body, or by members of the body meeting as a whole, once a year. The AGS fulfils that obligation.

Financial Implications & Value for Money

11. A sound system of internal control is essential for the overall control of the Authority's finances. There are, however, no direct financial implications arising from the Statement.

Risk Management, Health & Safety, and Environmental Implications

12. Good governance and sound internal control arrangements will ensure the Authority's policies, procedures and objectives are being fulfilled.

Contribution to Our Mission: *Safer Stronger Communities – Safe Effective Firefighters*

13. Good governance and sound internal control arrangements will ensure the Authority's mission is known by all and drives and directs the Service outcomes.
14. Merseyside communities are safer, stronger and the firefighters who serve the County are safer and more effective because the Authority has effective leadership and makes decisions that deliver strong financial management and efficient and effective service delivery. Robust and comprehensive governance arrangements are integral to this performance.

BACKGROUND PAPERS

CFO/020/17 Code of Corporate Governance, Policy and Resources Committee 23rd March, 2017.

CFO/018/19 "The Annual Governance Statement 2018/19" Audit Committee

Delivering Good Governance in Local Government – Guidance Notes for English Authorities, C.I.P.F.A. (2016)

Delivering Good Governance in Local Government – Framework, CIPFA/SOLACE (2016)

Account and Audit (England) Regulations 2015

GLOSSARY OF TERMS

SOLACE Society of Local Authority Chief Executives and Senior Managers

CIPFA Chartered Institute of Public Finance and Accountancy

AGS Annual Governance Statement