

EAST SUSSEX FIRE AUTHORITY

Meeting: Scrutiny & Audit Panel

Date: 5 June 2019

Title of Report: Assessment of the Corporate Framework and Annual Governance Statement for 2018/19

By: Mark O'Brien, Deputy Chief Fire Officer
Liz Woodley, Deputy Monitoring Officer
Duncan Savage, Assistant Director Resources/Treasurer

Lead Officer: Abi Blanshard, Senior Democratic Services Officer

Background Papers: Local Code of Corporate Governance

Appendices:

1. Annual Governance Statement 2018/19
2. Proposed Revised Local Code of Corporate Governance
3. Local Code of Corporate Governance – Key Policies and Processes
4. 2017/18 Action Plan Update

Implications (please tick ✓ and attach to report)

Any implications affecting this report should be noted within the final paragraphs of the report

CORPORATE RISK		LEGAL	✓
ENVIRONMENTAL		POLICY	
EQUALITY IMPACT		POLITICAL	
FINANCIAL		OTHER (please specify)	
HEALTH & SAFETY		CORE BRIEF	
HUMAN RESOURCES			

PURPOSE OF REPORT: To set out how the Fire Authority has assessed the effectiveness of its governance arrangements and to seek approval of the Annual Governance Statement in line with the Accounts and Audit Regulations 2015.

EXECUTIVE SUMMARY: The Authority is required under the Accounts and Audit Regulations 2015 to conduct an annual review of the effectiveness of its systems of internal control and to prepare an annual governance statement in accordance with proper practices to accompany its Statement of Accounts.

The review has been carried out by the Assurance and Governance Group of senior officers in line with the Authority's Local Code of Corporate Governance which has been reviewed and is consistent with the seven principles of good governance as identified in the CIPFA/SOLACE 2016 Framework - "Delivering Good Governance in Local Government".

As part of this review we have not identified any gaps in assurance over key risks or significant governance issues. The Authority has, however, identified a range of improvements to its corporate governance framework. Action Plans are in place to address the necessary improvements and these will be monitored during the year.

The draft Annual Governance Statement (Appendix 1) will be included in the draft Statement of Accounts 2018/19 when these are published on 31 May 2019, and was approved by Senior Leadership Team on 22 May 2019 prior to reporting to this Panel.

RECOMMENDATION:

The Panel is recommended to:

- (i) confirm that they are satisfied with the level of assurance provided to them through this report and the Authority's governance framework and processes;
- (ii) note that the Proposed Revised Local Code of Corporate Governance has been updated to reflect the current CIPFA/SOLACE 2016 Framework; and
- (iii) approve the Annual Governance Statement for signing by the Scrutiny & Audit Panel Chairman and the Chief Fire Officer.

INTRODUCTION

1. Sound Corporate Governance is crucial if the Authority is to continue to provide leadership, direction and control. The Annual Governance Statement provides an opportunity for the Authority to assess and report transparently to the public how it ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
2. The Authority has a local Code of Corporate Governance which is consistent with best practice guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE), and revisions to the Authority's internal processes. .

3. The Accounts and Audit Regulations 2015 require the Authority to ensure that it has in place a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for risk management. The Authority is required to conduct an annual review of the effectiveness of its system of internal control and to prepare an annual governance statement in accordance with proper practices to accompany its Statement of Accounts.
4. The production of an Annual Governance Statement is the final stage of an on-going process of review of our governance arrangements including risk management and internal control. In summary, the process must involve an organisation reviewing the adequacy of its governance arrangements, developing an action plan for improving those arrangements, and communicating the framework to users and stakeholders.
5. This report was prepared with the Assurance and Governance Group of senior officers and approved by Senior Leadership Team on 22 May 2019.
6. The Authority's corporate governance framework is underpinned by a number of key documents and processes. These are summarised in section 4 of the Annual Governance Statement (Appendix 1).
7. The main policies and strategies that make up the Authority's corporate governance framework are summarised in the Proposed Revised Local Code of Corporate Governance (Appendix 2 and 3). The Proposed Revised Local Code of Corporate Governance has been updated to reflect the current CIPFA/SOLACE 2016 Framework. The revised code is presented differently, however the content is largely unchanged. The sources of assurance in place for each of these policies and strategies have been reviewed and where the need for improvement has been identified this is set out within the Annual Governance Statement.
8. Evidence shows that the Authority continues to have in place good arrangements for corporate governance and that they are working effectively.
9. The Annual Governance Statement includes the mandatory disclosure of any significant governance issues identified through the Authority's governance and internal control arrangements. Appendix 4 to this report sets out the progress that has been made against the areas for improvement identified in the Annual Governance Statement for 2017/18.
10. Since 2013 the Authority has been required to produce a Statement of Operational Assurance on an annual basis in line with the requirements of the Fire and Rescue National Framework and DCLG guidance issued in May 2013. Whilst there is some overlap between this statement and the Annual Governance Statement, officers have decided to continue to publish them separately in order that their separate and distinct objectives are transparently fulfilled.
11. The Annual Governance Statement will be reviewed by our external auditors, Ernst & Young LLP, as part of their audit of the 2018/19 accounts.

Mark O'Brien

Duncan Savage

Liz Woodley

**DEPUTY CHIEF FIRE
OFFICER**

**ASSISTANT DIRECTOR
RESOURCES /
TREASURER**

**DEPUTY MONITORING
OFFICER**

22 May 2019