

**Report of the Chief Finance Officer/S151 Officer for the PFCC to the Chair and Members of the North Yorkshire Fire Independent Audit Committee**

**2nd April 2019**

**Presenting Officer: Michael Porter, Chief Finance Officer**

**Status: For information**

**Annual Governance Statement – Actions Update**

**1 Purpose**

- 1.1 Authorities, including Police, Fire and Crime Commissioners, are required to prepare an Annual Governance Statement (AGS). The report is about all corporate controls and not confined to financial issues and therefore is no longer published within the Statement of Accounts. Guidance from CIPFA envisages that the statement is reviewed by a Member group during the year (rather than just at year end) as an integral and indeed critical component of the review process.
- 1.2 The Audit Committee has been tasked with 'Considering the Annual Governance Statement for publication with the annual accounts, together with associated action plans for addressing areas of improvement and advising the PFCC as appropriate'
- 1.3 The purpose of this report is to update the Committee on the progress against the issues raised in the Fire Authority's 2017/18 AGS which was agreed prior to the transfer of Governance to the PFCC. This is within the report that is appended to this report, at Appendix B, for Member's information.

**2 Recommendations**

That Members:

- 2.1 Note the current progress against the issues and action points raised in the 2017/2018 Annual Governance Statement.
- 2.2 Note that any outstanding actions will continue to be worked on over the coming months and reflected in the draft of the 2018/19 AGS, as needed, which will be brought to this Committee at its meeting in May.

### **3 Reasons**

- 3.1 In line with requirement the Members of the former Fire Authority agreed the 2017/2018 AGS. This statement included 3 items that were deemed to require further and/or continued focus from the Fire Authority. This report provides an update on all of those items so that Members can see the progress made to date and also so that they can take these items into account when the AGS for 2018/19 is developed.
- 3.2 The schedule that contained the actions within the Annual Governance Statement has been attached to this report along with updates against the actions.

### **4 Risks**

- 4.1 Publication and approval of the Annual Governance Statement is a mandatory requirement. Failure to achieve this would undermine the PFCC's progress in promoting corporate governance and driving up performance.
- 4.2 The PFCC could also expose itself to risk to its reputation if the External Auditor concluded that proper practices were not being followed in preparing the AGS, and then addressing those issued raised within the Statement and commented on this in a public report.
- 4.3 The arrangements set out in this report seek to mitigate these risks.

### **5 Conclusions**

- 5.1 The purpose of the Annual Governance Statement process is to provide a continuous review of the effectiveness of an organisation's governance arrangements including internal control and risk management systems. Addressing issues raised as part of the AGS process is a vital part of this process to demonstrate and ensure that improvements are being made within the organisation.

Michael Porter  
PFCC's Chief Finance Officer/S151 Officer