

Lancashire Combined Fire Authority

Audit Committee

Meeting to be held on 8 July 2024

Annual Governance Statement 2023/24 **(Appendices A, B and C refer)**

Contact for further information: Steven Brown - Director of Corporate Services
Tel: 01772 866804

Executive Summary

The Authority is required to publish an Annual Governance Statement along with the Authority's financial statements following a self-assessment review of the effectiveness of the internal controls in place. The report and the statement set out the key elements of the Authority's governance framework, how these have been evaluated, the outcome of the assessment of effectiveness and any areas for improvement.

The overall conclusion of the Annual Governance Statement is that the system of internal controls is adequate, and that no significant governance issues have been identified.

The annual review of the Local Code of Governance has also been undertaken and is included for approval.

Recommendation

The Committee is asked to:

- Note and endorse the self-assessment (Appendix A) and the Annual Governance Statement (Appendix B) based on this and recommend that the Chairman of the Authority signs the Statement.
- Note and endorse the updated Local Code of Governance (Appendix C).

Background

1. The Authority is required to produce an Annual Governance Statement as part of the year end process for 2023/24.
2. The Audit Committee has previously approved a Local Code of Corporate Governance, in line with guidance produced jointly by CIPFA (Chartered Institute of Public Finance Accountants) and SOLACE (Society of Local Authority Chief Executives). The annual review has been completed and this is included as Appendix C with the changes annotated in the Code.
3. The Code defines corporate governance as the way an authority 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.
4. Included within the Code are the following core principles:-

- a. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 - b. Ensuring openness and comprehensive stakeholder engagement
 - c. Defining outcomes in terms of sustainable economic, social, and environmental benefits
 - d. Determining the interventions necessary to optimise the achievement of the intended outcomes
 - e. Developing the entity's capacity, including the capability of its leadership and the individuals within it
 - f. Managing risks and performance through robust internal control and strong public financial management
 - g. Implementing good practices in transparency, reporting, and audit to deliver effective accountability
5. In order to assess the effectiveness of the Authority's current arrangements a self-assessment has been undertaken by the Executive Board, considering the various sources of assurance which support the core principles outlined above, and the outcome of this is attached as appendix A. One of the key elements of this is external assurance on our systems, and this is provided by our auditors, both of whom provide positive reports, and by the HMICFRS Inspection which rated the Service as Good.
6. The Annual Governance Statement is attached as appendix B for the Committee to consider and endorse.

Financial Implications

7. As outlined in the report

Legal Implications

8. None

Business Risk Implications

9. None

Environmental Impact

10. None

Equality and Diversity Implications

11. None

Human Resource Implications

12. None

Local Government (Access to Information) Act 1985

List of background papers NA

Reason for inclusion in Part 2 if appropriate: N/A

Appendix A: Self-Assessment

Appendix B: Annual Governance Statement

Appendix C: Local Code of Governance