

ANNUAL GOVERNANCE STATEMENT 2025/26

1. Scope of Responsibility

The Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently, and effectively. The Authority 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 due regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is also responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions that includes ensuring a sound system of internal controls is maintained throughout the year and that arrangements are in place for the management of risk. In exercising this responsibility, the Authority also relies on the Chief Fire Officer /Chief Executive Officer to support the governance and risk management processes.

The Authority has approved and adopted a code of corporate governance, which is consistent with the principles of the Delivering Good Governance in Local Government Framework 2016 (CIPFA/SOLACE). A copy of the code is on our website at: [code-of-corporate-governance.pdf](#)

This statement explains how the Authority has complied with the code and meets the requirements of Accounts and Audit (England) Regulations 2015 (as amended) in relation to the publication of a statement of internal control.

2. The Purpose of the Governance Framework

The governance framework comprises the systems and processes and culture and values by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal controls is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal controls is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently,

effectively and economically. The governance framework has been in place at the Authority for the 12 months ending 31 March 2026 and the Head of Internal Audit opinion was:

- The organisation has an adequate and effective framework for risk management, governance and internal control.
- However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

3. The Governance Framework

The key elements of the systems and processes that comprise the Authority's governance arrangements include:

- A vision that clearly sets out our purpose and to which the Authority's objectives and priorities are directly related.
- The Authority's core objectives and priorities are set out in its Community Risk Management Plan (CRMP). The CRMP is focused over a period of four years and details an action plan after consideration of our vision, excellence statements and risks and opportunities. The actions within the plan are monitored and managed by the Programme Board, the Strategic Leadership Team and the CRMP leads.
- The Authority's core objectives cascade through departmental and group plans to individual performance management plans. In addition, they set out the key activities and related targets for each group and the measure of success that will evidence achievement of these. For each activity, target start and finish dates and a lead Officer are identified. This document becomes, in effect, the action plan for the work of that group. These plans are then further refined into station and team plans.
- Arrangements for establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.
- Programme and project management embedded throughout the Service to ensure effective implementation of strategic projects and efficiency gains are realised and recorded.
- Strategy Boards for property and ICT which oversee both areas owing to the significant on-going expenditure in both areas.
- An Annual Report/Statement of Assurance which looks back at the previous year to see how we performed and details priorities for the current year.
- A continuous performance cycle that focuses on objectives and the introduction of new business critical projects, whilst managing business as usual. The system seeks to manage conflicts of resources, whilst updating objectives to reflect the revised priorities.

- Having embedded arrangements for whistle blowing and for receiving and investigating complaints from the public.
- Ensuring the Authority's financial management arrangements conform to the governance requirements of the CIPFA document on the Role of the Chief Financial Officer in Public Service Organisations (2023).
- A partnership strategy designed to ensure all partnership activities are appropriate and will contribute to the Authority's key objectives.
- Performance management reviews undertaken quarterly highlighting performance against the agreed targets.
- A system of internal control which comprises a network of policies, procedures, reports and processes. These arrangements clarify the Authority's vision, objectives, priorities, risk management arrangements, performance management processes and financial controls and aim to ensure compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful.
- An integrated risk management strategy and framework that ensure effective management of strategic, programme and project risks.
- Identification of the Authority's business continuity function and responsibilities regarding the Civil Contingencies Act and preparation of business continuity plans.
- Clear scheme of delegation that sets out the roles and responsibilities of the executive, non-executive and statutory Officer functions together with protocols for effective communication.
- Arrangements for developing, communicating and embedding codes of conduct, defining standards of behaviour for Members and staff.
- The financial management of the Authority and the reporting of financial management to the Policy and Resources Committee.
- The performance management framework of the Authority and the reporting of performance management to the Overview and Scrutiny Committee. This receives regular performance indicator reports and undertakes the core functions of an audit committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities and Police (2022).
- An internal quality assurance function that targets areas of risk and recommends improvement measures. This function also considers legislation compliance annually.
- Accreditation by the British Standards Institute for Business Continuity, Information Security, Health and Safety and Environmental Management.

More specifically, the Authority's internal financial control is exercised through:

- A written scheme of delegation from the Authority to Officers.
- A scheme of financial management which includes financial regulations governing how Officers conduct financial affairs and contract regulations which detail fully the responsibilities of Officers in ensuring that contract procedures comply with legal requirements, achieve value for money, promote public accountability and deter corruption.
- A comprehensive budgeting system.
- An Overview and Scrutiny Committee, which has responsibility for performing scrutiny reviews on key projects and issues.
- The submission of quarterly budgetary control reports to the Policy and Resources Committee.
- The production of annual local performance indicators which are reviewed by the Strategic Leadership Team.

4. Review of Effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the managers within the Authority who have responsibility for the development and maintenance of the governance environment and by comments made by the external auditors in their annual audit letter and other reports, other review agencies and inspectorates.

In this regard the Authority retains, contractually, the internal audit services of RSM Risk Assurance Services LLP to provide an independent appraisal function to review and report on the effectiveness of the systems of internal controls within the Authority. The internal audit team works to defined professional standards, particularly those promulgated by CIPFA in its Code of Practice for Internal Audit in Local Government. The Internal Audit Plan is prepared based on a formal risk assessment and the internal auditor reports directly to the Authority via the Overview and Scrutiny Committee on both the proposed plan and the main outcomes of audit work.

Ernst and Young LLP is the Authority's appointed external auditor, as determined by Public Sector Audit Appointments. External audit provides independent assurance over the Authority's financial management, financial controls and value for money arrangements. The Service has been affected by the national external audit backlog, which has resulted in disclaimed audit opinions in prior years. A further disclaimed opinion was issued on the 2024/25 Statement of Accounts due to limitations arising from the incomplete audit of earlier years. The Service continues to work with the external auditor to meet revised national backstop dates and to strengthen financial reporting assurance to the Authority and its Committees.

A full review of the Authority's strategic risk strategy, process and register has been undertaken. The Policy and Resources Committee has approved the reviewed strategy and policy.

Our internal auditors have conducted sufficient audit work to draw a reasonable conclusion on the adequacy and effectiveness of the Authority's governance arrangements.

We have been advised on the implications of the result of the reviews of the effectiveness of the governance framework and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Progress made against Governance Issues identified in 2024/25

During 2024/25 RSM completed six assurance assignments with positive assurance being taken from the reviews of the management recruitment framework, medium-term financial plan, key financial controls (treasury management) and culture (misconduct processes). For the reviews where partial assurance could be taken, IT assets (undertaken in conjunction with Bedfordshire Fire and Rescue Service) and fleet management, all identified management actions were agreed with completion timescales.

Significant Governance Issues for 2025/26

No significant governance issues for inclusion in the Annual Governance Statement were identified by RSM in their annual internal audit report for the year ending 31 March 2026. It is recognised however, that good governance is not static and there are areas where arrangements will continue to be strengthened, including policy review, assurance reporting, colleague health and safety (contaminants), productivity and efficiency oversight.

5. Other Considerations

The Authority will continue to take action to deal with governance issues relating to:

- **Local Government Reorganisation** - the local Government reorganisation in England is a significant change aimed at simplifying local Government structures and improving service delivery. The Government's ambition is to end the two-tier system and establish new single-tier unitary councils, which will empower councils to drive economic growth, improve public services, and empower communities. The English Devolution White Paper published in December 2024 set out the Government's vision for this reform, which is expected to be the largest sweeping change in English local Government in over 50 years. The process is set to run alongside the expansion of strategic authorities and the creation of new combined authorities and mayoral authorities in line with the Government's devolution agenda for England. The impact to the Authority will be that a Cambridgeshire Mayor would become accountable as the Fire Authority and the governance arrangements with the present Fire Authority will no longer exist; therefore, we will maintain oversight of the progression of devolution to ensure the direct impacts to the Authority are understood, reviewing and updating governance arrangements as required.

- **HMICFRS** carried out its third inspection of the Service in December 2025 and January 2026, assessing effectiveness, efficiency and how the Service looks after its people. The inspection delivered a strong commentary overall however the judgements did identify opportunities for improvement. Therefore, the Service has put in place a clear action plan; progress against this plan will be overseen and monitored by the Strategic Leadership Team and regularly reported to the Authority.
- **Sector Developments** – the Service continues to monitor the progress of central Government consultations into fire sector reform and any associated financial impacts. It has recently engaged with the public consultation for the establishment of a National College of Fire and Rescue (linked to the findings from the Grenfell Tower Inquiry). A proactive stance will continue throughout 2026/27.

7. Conclusion

Based on the opinion of the Head of Internal Audit and our own ongoing work, we are satisfied that our arrangements for governance, risk management and control are adequate and effective.

We propose over the coming year to take steps to address the above matters to further enhance these arrangements and will monitor the implementation and operation of improvements.

Matthew Warren
Chief Fire Officer and Chief Executive Officer
Date:

Councillor C Morris
Chair Cambridgeshire and Peterborough Fire Authority
Date: