



MEETING: GOVERNANCE COMMITTEE 26 FEBRUARY 2024

SUBJECT: ANNUAL GOVERNANCE STATEMENT 2023/2024

**JOINT REPORT OF THE CHIEF FIRE OFFICER/CHIEF EXECUTIVE (THE CLERK
TO THE AUTHORITY) AND THE FINANCE DIRECTOR**

1 INTRODUCTION

- 1.1 Tyne and Wear Fire and Rescue Authority (hereby known as 'the Authority') is required to include an Annual Governance Statement within its Annual Statement of Accounts. The Annual Governance Statement contains details of the most recent review of governance arrangements and sets out areas for improvement during the course of the following year.
- 1.2 The purpose of this report is to present the Annual Governance Statement 2023/2024 and Code of Corporate Governance 2024 to the Governance Committee for review before submission to the Fire Authority for approval.
- 1.3 The Authority must approve the Annual Governance Statement each year prior to adopting the Statement of Accounts. Once approved, the Chair of the Authority, Chief Fire Officer/Chief Executive and Finance Director are requested to sign the Annual Governance Statement.

2 BACKGROUND

- 2.1 The Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It is also responsible for ensuring 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.
- 2.2 In discharging this overall responsibility, the Authority and its Statutory Officers are responsible for putting in place proper arrangements (known as the governance framework) for:
 - The governance of its affairs; and
 - Facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 2.3 The system of internal control is a significant part of the Authority's governance framework and is designed to manage risk to a reasonable 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.

- 2.4 The Accounts and Audit (England) Regulations 2015 6(1) (a) and (b); stipulate that the Authority must, each financial year:
- a) conduct a review of the effectiveness of the system of internal control.
 - b) prepare an annual governance statement.
- 2.5 For the Authority to meet the requirements of the Regulations an annual governance review has been conducted and an Annual Governance Statement 2023/2024 (Appendix A) prepared for publication following approval.
- 2.6 A key component of the Authority's governance framework is its Code of Corporate Governance, which aligns with the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Delivering Good Governance in Local Government Framework 2016. The Code of Governance has been updated for 2024 following the annual governance review (Appendix B).
- 2.7 The good governance framework assists the Authority in developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way by demonstrating compliance with the good governance 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 intended outcomes.
 - E. Developing the Authority'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.

3 ANNUAL GOVERNANCE REVIEW METHODOLOGY

- 3.1 The Authority's governance framework comprises of systems, processes, culture and values by which it is directed and controlled. This framework enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 3.2 The Authority monitors its governance arrangements in practice and reviews them annually to ensure that they remain up to date and working effectively. The annual governance review process:
- Assesses how the Authority has complied with its Code of Corporate Governance.

- Provides an opinion on the effectiveness of the Authority's governance arrangements.
- Provides details of how continual improvement in the systems of governance will be achieved.

3.3 Key sources of assurance that inform the Annual Governance Statement are drawn from:

- Departmental self-assessments prepared by Tyne and Wear Fire and Rescue officers with responsibility for governance.
- Statutory Officer Assurance Statements.
- Feedback from elected members (Councillors).
- Reports on the risk management arrangements and the corporate risk register.
- The Head of Internal Audit's independent findings on the internal control environment.
- The External Auditor's independent review of the effectiveness of the governance arrangements.
- Any recommendations made by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) or other external bodies or review agencies.

4 ANNUAL GOVERNANCE REVIEW OUTCOME

4.1 The review of the effectiveness of the Authority's governance framework confirms the arrangements in place during 2023/2024 continue to be fit for purpose and good assurance can be given that the framework is operating effectively in practice.

4.2 The review has identified five new improvement actions for completion during 2024/2025. The improvement action plan can be viewed in the Annual Governance Statement 2023/2024.

4.3 The Governance Committee has responsibility for ensuring the delivery of the 2024/2025 actions needed to improve the Authority's governance framework.

4.4 The previous Annual Governance Statement 2022/2023 contained four legacy improvement actions for completion during 2023/2024 and progress against the actions was monitored internally by the Tyne and Wear Fire and Rescue Service's Corporate Governance Board.

4.5 All 2022/2023 improvement actions have been closed and a summary of the action taken to complete these actions is included in the Annual Governance Statement 2023/2024.

5 CONCLUSION

5.1 The outcome of the annual governance review should satisfy the Authority that there are appropriate governance arrangements in operation and that through the

delivery of the improvement action plan during 2024/2025, the Authority will enhance its governance arrangements.

5.2 No review can provide absolute assurance; this statement is intended to provide reasonable assurance that there is an ongoing process for reviewing the Authority's governance framework and its operation in practice.

5.3 Based on the evidence examined, the Authority's governance framework has continued to be in place for the year ending 31 March 2024 and up to the date of approval of the 2023/2024 Statement of Accounts.

6 RISK MANAGEMENT

6.1 There are a wide range of risks associated with not having a clear governance framework in place however, the Annual Governance Statement 2023/2024 supports the mitigation of such risks by providing a transparent way to report on the effectiveness of the Authority's governance arrangements.

7 FINANCIAL IMPLICATIONS

7.1 There are no financial implications in respect of this report.

8 EQUALITY AND FAIRNESS IMPLICATIONS

8.1 There are no equality and fairness implications in respect of this report.

9 HEALTH AND SAFETY IMPLICATIONS

9.1 There are no health and safety implications in respect of this report.

10 RECOMMENDATIONS

10.1 The Committee is recommended to:

- a) Note and comment on the Annual Governance Statement for 2023/2024.
- b) Note the revised Code of Corporate Governance 2024.

BACKGROUND PAPERS

The under mentioned Background Papers refer to the subject matter of the above report:

None