

**GOVERNANCE COMMITTEE**

**MEETING: 29<sup>TH</sup> JUNE 2015**

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**SUBJECT: ANNUAL GOVERNANCE REVIEW 2014/15**

**JOINT REPORT OF THE CHIEF FIRE OFFICER, CLERK TO THE AUTHORITY,  
THE FINANCE OFFICER AND PERSONNEL ADVISOR**

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**1 INTRODUCTION**

1.1 The purpose of this report is to provide members with details of the findings of the 2014/15 Annual Governance Review and seek approval of the Annual Governance Statement, prior to its incorporation in the Statement of Accounts.

**2 BACKGROUND**

2.1 In 2001 the Society of Local Authority Chief Executive's (SOLACE) and the Chartered Institute of Public Finance and Accountancy (CIPFA) jointly published '*Corporate Governance in Local Government: A Keystone for Community Governance Framework and Guidance Note*'. In line with the guidance contained in this document the Authority introduced its first local Code of Corporate Governance (the Code), approved by Members, in 2003.

2.2 Annual reviews of the Code have taken place to ensure that it remains up to date and effective. Minor updates to the Code have also been carried out to address any issues identified during the reviews. The Code was last reviewed in April 2015.

2.3 The Authority has a statutory duty to prepare an Annual Governance Statement, as enshrined in the Accounts and Audit (England) Regulations 2011.

2.4 The Fire and Rescue National Framework 2012 placed a further duty on fire and rescue authorities to produce a public facing Statement of Assurance. This was first published in September 2013 incorporating the Authority's Annual Report.

2.5 National guidance on good governance in public bodies has been regularly updated over the years, and the Authority's code takes account of the most recent framework, '*Delivering Good Governance in Local Government*', produced in 2007 and updated in 2012 by CIPFA and SOLACE. This

describes the principles of good governance particularly as they apply to local authorities, drawing out these authorities' role in community leadership.

2.6 The framework identifies four key roles of a local authority as follows:

- To engage in effective partnerships and provide leadership for and with the community
- To ensure the delivery of high quality local services whether directly or in partnership or by commissioning
- To perform a stewardship role which protects the interests of local people and makes the best use of resources
- To develop citizenship and local democracy.

2.7 These four roles are to be borne in mind when considering the six core principles of good governance, as defined in the framework:

- Focusing on the purpose of the authority and on outcomes for the community, and creating and implementing a vision for the local area
- Members and officers working together to achieve a common purpose with clearly defined functions and roles
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Taking informed and transparent decisions which are subject to effective scrutiny, and managing risk
- Developing the capacity and capability of members and officers to be effective
- Engaging with local people and other stakeholders to ensure robust public accountability.

2.8 The framework recommends that governance arrangements are kept under review by:

- Considering the extent to which the authority complies with the principles and requirements
- Identifying systems, processes and documentation that provide evidence of compliance
- Identifying the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified
- Identifying the issues that have not been addressed adequately in the authority and consider how they should be addressed
- Identifying the individuals who would be responsible for undertaking the actions required and plan accordingly.

2.9 In carrying out these tasks, the Authority has followed CIPFA's detailed guidance which requires a comprehensive assurance gathering process.

### **3 2014/15 ANNUAL GOVERNANCE METHODOLOGY**

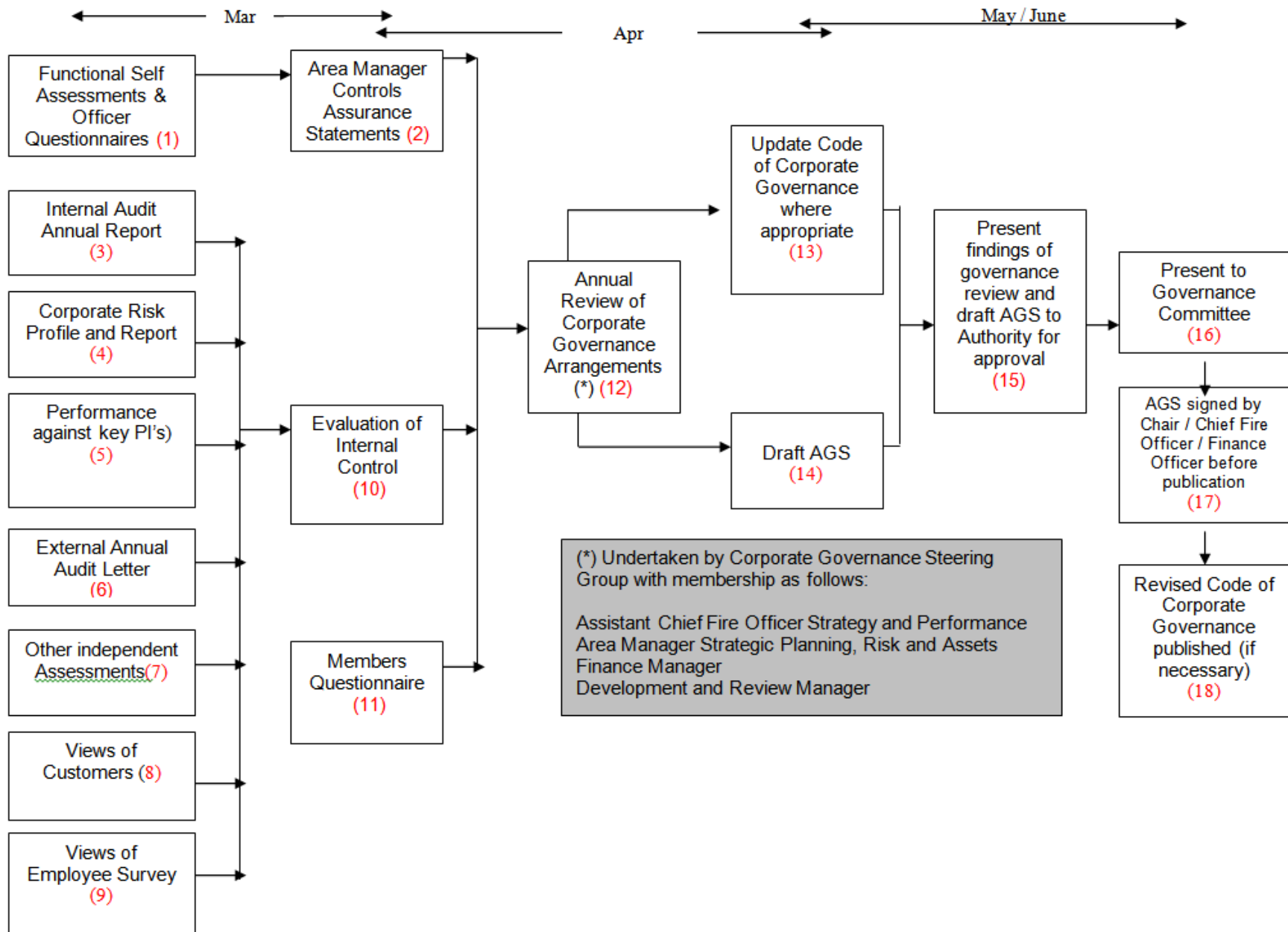
3.1 The review was undertaken by the Corporate Governance Steering Group whose membership is as follows:

- Assistant Chief Fire Officer Strategy and Performance
- Area Manager Strategic Planning, Risk and Assets
- Finance and Procurement Manager
- Development and Review Manager.

3.2 The review followed the agreed methodology which comprises the following stages:

- Completion of Department Head questionnaires with associated Area Manager Controls Assurance Statements
- Completion of Members Questionnaires
- Detailed analysis and evidencing of internal control arrangements
- Preparation of an Action Plan to address any issues identified, including revision of the Local Code of Corporate Governance as required
- Drafting an Annual Governance Statement and Governance Review Report and presenting this to the Strategic Management Team
- Presenting the Annual Governance Statement and Governance Review Report to the Governance Committee
- Presenting the Annual Governance Statement and Governance Review Report to the Fire and Rescue Authority, and
- Chair of Fire and Rescue Authority, Chief Fire Officer and Finance Officer to sign Annual Governance Statement.

The above stages are set out diagrammatically on the next page.



- 3.3 **Functional Self Assessments(1)** - Governance and control self-assessments were completed by department heads and approved by all Area Managers (see 3.3). The self-assessments cover compliance with the existing Authority Code of Corporate Governance, as well as key internal control arrangements within each service, and require evidence to be cited in relation to each question, and any significant plans for improvement within their area to be recorded.
- 3.4 **Area Manager Controls Assurance Statements(2)** - Each Area Manager reviewed the information and views compiled through the self-assessment process to come to an opinion on the governance arrangements and internal control environment within their areas of responsibility.
- 3.5 **Evaluation of Internal Control Arrangements(10)** - The Authority's internal control arrangements were assessed in line with CIPFA guidance.
- 3.6 **Views of Elected Members(11)** - The views of all Elected Members were sought via a questionnaire. Responses were received from 11 Members (69% return) and these were considered by the Group.
- 3.7 **Annual Review (12)** - The Group considered all aspects of corporate governance and supporting documentation including the existing Code of Corporate Governance to identify the areas that need to be amended to bring the Code in line with the new framework. Consequently the Group were able to form a view on the adequacy of the Authority's overall governance arrangements for incorporation in the Annual Governance Statement. Members are asked to note that the process was subject to a review by internal audit this year who concluded that the arrangements in place were good.

## **4 FINDINGS OF THE CORPORATE GOVERNANCE STEERING GROUP**

### **4.1 Functional Self Assessments and Area Manager Controls Assurance Statements**

4.1.1 These were examined to ensure that all documents had been completed in full and to identify any issues of significance. It was noted that all Department Heads have identified some future plans for improvement to their governance and control arrangements. The future plans for improvement were summarised and issues highlighted to identify any which were significant in terms of the Authority's overall governance and control environment.

4.1.2 A large proportion of the future plans for improvement related to tasks which are already ongoing, which are focused on delivery or which have already been included in existing service plans. Actions of this type are contained within our IRMP, Improvement Plan or Level 3 Plans and as such have not been considered significant to the overall governance and control environment.

4.1.3 Newly identified actions resulting directly from the annual governance review, which have corporate significance, have been included in the Corporate Governance Action Plan (Appendix C).

## 4.2 Annual Internal Audit

4.2.1 The Group considered the interim Internal Audit Annual Report 2014/15, to be presented to the Governance Committee in June 2015. It was noted that using the cumulative knowledge and experience of the systems and controls in place, including the results of previous audit work and the work undertaken within 2014/15, it is considered that overall throughout the Authority there is substantial assurance provided regarding the internal control environment.

4.2.2 Reviews of the following areas were carried out and assurance provided regarding the following. In each case the level of assurance was Substantial:

- Project Management Arrangements
- Achievement of Efficiencies
- Transaction Testing - Purchasing
- Transaction Testing - Payroll
- Attendance Management Arrangements
- Building Maintenance
- Contract Management Arrangements
- Disaster Recovery (this audit was carried out by PWC using their own methodology, and the overall finding was Low Risk)

4.2.3 Any improvement actions arising from internal audits of moderate risk or above are included in the organisation wide improvement plan and monitored directly by SMT. Other improvement actions are included in the department level three plans (annual plans) of specific teams.

## 4.3 Corporate Risk Register

4.3.1 The Corporate Risk Register was considered by the Group. The Corporate Risk Register is a live document regularly updated, monitored and managed by the Corporate Risk Management Group (CRMG), most recently in April 2015. Of the 15 corporate risks faced by the Authority, the most significant (high priority) risks are:

- Failure to effectively and safely deploy and manage operational staff and resources at incidents leading to staff and public being exposed to unnecessary risks
- Risk that spending and/or policy decisions of one of our partners has a negative impact on our collaborative work and therefore a detrimental impact on the communities that we serve
- Industrial unrest nationally and/or locally with regard to conditions of service (including on-going organisational change management programmes) results in industrial action and impacts on service delivery

- Risk that further budget cuts will mean that we have to make decisions that will detrimentally affect the delivery of front-line services

4.3.2 At the last CRMG meeting no risks were archived although 3 risks were downgraded. The risk rating for one risk was increased due to a business interruption event affecting our Control room. An emerging risk was identified in relation to severe space weather and its impact on our power and communications infrastructure.

4.3.3 The Chief Fire Officer has developed an action plan to manage and mitigate each risk. Where appropriate these actions have been included in the annual operating plans of the appropriate departments for action as necessary.

#### 4.4 **Performance Management**

4.4.1 The Group considered the Authority's performance management framework and actual performance against key indicators. It was noted that performance has continued to improve in many areas during the year.

4.4.2 The Authority's performance management framework was considered with the main issues being:

- Continue to improve performance through a range of improvement activities and evaluation to target specific risks
- Continue to improve understanding of performance and risk through Service Delivery partnership working to develop realistic targets and strengthen accountability at a local level.

4.4.3 Plans are in place to address all of the above issues and none are considered significant in terms of the Authority's overall governance and control arrangements.

#### 4.5 **Views of Employees**

4.5.1 A survey of the views of employees is undertaken in relation to a range of issues on a six monthly basis. Two tranches of the survey have been undertaken from October 2014 – March 2015 and some key results include:

- The majority of staff (71%) are satisfied with their current role and 87% with their shift or work pattern. 81% feel they are treated fairly at work, (95%) say they understand what is expected of them in their job and (78%) feel they are encouraged to take responsibility
- The majority of staff (70%) think the Authority provides value for money
- Over half of staff (57%) think that SMT tell them about changes that are happening, and 55% are satisfied with job security.

4.5.2 Some of these areas are lower than in the past and these findings will be taken into account as we carry out our IRMP reviews and implement any future changes.

#### **4.6 Information Governance**

4.6.1 The Service is working towards alignment with ISO:27001 with the introduction of an information asset register. Supporting policies and procedures will also be produced and two training packages delivered; one for information asset owners and a more general training package for all staff to raise awareness of information governance. This will be completed during 2015.

4.6.2 An Information Sharing Protocol is also in the final stages of development which will underpin Information Sharing Agreements with partners.

#### **4.7 Members Questionnaires**

4.7.1 A questionnaire regarding Corporate Governance was issued to Members. Of those Members who responded, they were in agreement that the Authority clearly communicates its purpose and vision, and its intended outcomes for the community and service users and that the Authority conducts business in an open and transparent manner all / most of the time.

#### **4.8 External Auditor Opinion**

4.8.1 The Group also considered the Annual Audit Letter and Audit Completion Report prepared by the Authority's external auditors, Mazars, covering 2013/14, which gives independent assurance of financial control and Value for Money (including financial resilience and the overall efficiency and effectiveness of the Authority).

4.8.2 Mazars issued an unqualified conclusion on both financial arrangements and Value for Money, and identified no significant weaknesses in the Authority's arrangements for internal control. Their report included comments that:

- The Authority managed its financial position well. Budget setting was robust and close monitoring ensured delivery of spending within revenue and capital budget limits
- The Medium Term Financial Strategy sets out how the Authority proposes to deal with the difficult economic climate and the cuts in funding
- Careful financial management has enabled the Authority to build up a good level of earmarked reserves that are set aside for specific plans and projects.

4.8.3 It is considered that the Annual Audit Letter gives reassurance that the Authority's overall governance and control arrangements are satisfactory.



## 4.9 Other External Assessment

4.9.1 The Group examined the results of other external assessments over the past year. These include:

- Operational Assessment and Fire Peer Challenge draft report 2014
- Investors in People Gold Standard maintained
- ROSPA Gold accreditation for the ninth consecutive year
- Accreditation to International Standard ISO22301:2012 for Business Continuity
- National Resilience Assurance Team Multi Capability Assurance Inspection
- LGBT North East Award for 'Building Inclusive Workplaces'
- Achievement of 37<sup>th</sup> place (of 400) in the Stonewall Workplace Equality Index and are ranked the second top emergency service
- Department of Work and Pensions 'Two Ticks' disability symbol
- Prince's Trust Team Programme – North East Award Winners.

4.9.2 Although these assessments are not directly concerned with governance and internal control, they do require systematic arrangements to be in place for the criteria they are assessing, and as such the Group considered that they provide additional assurance as to the control environment in the Authority.

## 4.10 Views of customers

4.10.1 An on-going 'After the Incident Survey' is carried out, the latest results of which recorded a score of 100% overall user satisfaction with regard to the services provided at domestic incidents. This survey also recorded a score of 98% overall user satisfaction for services provided at non-domestic incidents. Satisfaction surveys on fire safety audits and our Home Safety Checks are also carried out.

## 4.11 Meeting the Requirements of the National Framework

4.11.1 As mentioned in para 2.4 the Fire and Rescue National Framework 2012's requirement for the publication of a statement of assurance was satisfied through its inclusion in the Annual Report, which has been reformatted to become the Annual Report and Statement of Assurance.

4.11.2 Within this report is a section that demonstrates how the Authority meets all of requirements of the Fire and Rescue National Framework. This is reproduced in the diagram on the next two pages.

Requirement	How this is met
<p>Produce an IRMP that identifies and assesses all foreseeable risk</p> <p>The Plan must demonstrate how prevention, protection and response will be used to mitigate the impact of risk</p>	<ul style="list-style-type: none"> <li>• Strategic Community Safety Plan and IRMP</li> <li>• Community Risk Profile</li> <li>• Policies and procedures to implement Plan, including targeting</li> <li>• Specific IRMP reviews including evidence base</li> <li>• Detailed risk data used in decision making e.g. FSEC, Workload Modelling, MOSAIC</li> <li>• Community Engagement Strategy</li> <li>• Monitoring of performance by Performance Action Group and Policy and Performance Committee to ensure risk is being mitigated</li> </ul>
<p>Work with communities to identify and protect them from risk</p>	
<p>IRMP should set out the management strategy and risk based programme for enforcing the Regulatory Reform order</p>	
<p>Make provision to respond to incidents and reflect this in IRMP's</p>	
<p>(Accountability) IRMP must be accessible, available, reflect consultation, cover a three year time span and be reviewed and revised as often as necessary; reflect up to date risk analysis and evaluation of community outcomes</p>	
<p>Have effective business continuity arrangements</p>	<ul style="list-style-type: none"> <li>• ISO22301 accreditation</li> </ul>
<p>Collaborate with other FRAs, other emergency services and LRFs to deliver interoperability</p>	<ul style="list-style-type: none"> <li>• Mutual aid agreements</li> <li>• Local Resilience Forum structures, roles, plans, procedures, exercising records etc.</li> <li>• Common systems for Command and Control with Northumberland FRA</li> <li>• Further collaboration with Northumbria Police is currently in progress</li> </ul>

Requirement	How this is met
Engage with the Fire and Rescue Strategic Resilience Board (SRB) to support discussions and decision making on national resilience	<ul style="list-style-type: none"> <li>• Policies and procedures relating to local and national risks</li> <li>• Engagement in Chief Fire Officers Association (CFOA) groups relating to resilience</li> </ul>
Risk assessments must include analysis of any gaps between existing capability and that needed for national resilience, and these must be highlighted to the SRB	
(Assurance) Work collectively and with Strategic Resilience Board to provide assurance that risks are assessed, gaps identified and that resilience capabilities are fit for purpose, and any new capabilities are procured, maintained and managed in the most cost effective manner	<ul style="list-style-type: none"> <li>• As above plus independent assessment via National Resilience Advisory Team (NRAT) audits</li> <li>• External audit of financial systems and value for money</li> </ul>
Work in partnership with their communities and a wide range of partners locally and nationally	<ul style="list-style-type: none"> <li>• Strategic Community Safety Plan and IRMP</li> <li>• Policies and procedures to implement Plan, including targeting</li> <li>• Delivery coterminous with Council boundaries</li> <li>• Engagement in statutory and non-statutory partnerships (Partnerships Register, reports and structures of partnership bodies)</li> </ul>
(Scrutiny) FRAs must hold the Chief Fire Officer to account and have arrangements in place to ensure their decisions are open to scrutiny	<ul style="list-style-type: none"> <li>• Corporate Governance Framework</li> <li>• Standing Order</li> <li>• Annual review of Governance</li> <li>• Authority minutes</li> </ul>

Requirement	How this is met
FRAs must make their communities aware of how they can access data and information on performance	<ul style="list-style-type: none"> <li>• Annual Report and Statement of Assurance</li> <li>• Quarterly performance reports</li> <li>• Compliance with the data transparency code as exemplified on website</li> <li>• Policies and procedures relating to data</li> </ul>
Prepare an annual statement of assurance covering financial, governance and operational matters showing due regard for IRMP and Fire and Rescue National Framework	<ul style="list-style-type: none"> <li>• Annual Report and Statement of Assurance</li> <li>• Documents signposted from it including Statement of Accounts, Annual Governance Statement, reports of internal and external auditors</li> </ul>

## **5 UPDATES TO THE CODE OF CORPORATE GOVERNANCE**

- 5.1 The Code of Corporate Governance was updated, and the Corporate Governance Steering Group (CGSG) agreed that it reflected the current SOLACE/CIPFA framework and guidance, "Delivering Good Governance in Local Government 2012". The Code is attached at Appendix A.

## **6 ANNUAL GOVERNANCE STATEMENT**

- 6.1 The Annual Governance Statement has been drafted taking into account the findings of the annual governance review. The review has found that only minor improvements are needed to the control environment in a small number of areas. The Annual Governance Statement is attached at Appendix B for approval.

## **7 REVIEW OF CORPORATE GOVERNANCE PROCESS**

- 7.1 In 2014 a review of the Corporate Governance process was undertaken with the aim of streamlining the process and reducing the burden on departments (who contribute to the information gathering process) bringing it more in line with the model adopted by Sunderland City Council. For 2014/15 new questionnaires were used to obtain information from department heads, these were then sent direct to Area Managers who signed these off and confirmed control and assurance within their own areas. New tailored questionnaires were also introduced for Members. Further implementation of the recommendations agreed last year, including the automation of the process, will be undertaken during 2015/16.

## **8 CONCLUSION**

- 8.1 Based on the evidence examined, the Authority has robust and effective governance and internal control arrangements in place. The views elicited during the review from Members and all senior managers across the Authority demonstrate that the principles of good governance are embedded, and independent assurance has been provided on all areas required, as well as some areas not specifically required.
- 8.2 The review has not identified any weaknesses that would need to be highlighted in the Authority's Annual Governance Statement.
- 8.3 A small number of actions have been identified to further develop governance and control arrangements, as detailed in the action plan attached at Appendix C.

## **9 RISK MANAGEMENT**

- 9.1 The annual governance review provides a comprehensive assessment of the organisation's systems of control. The Authority's Corporate Risk Profile is used to inform this assessment.

## **10 FINANCIAL IMPLICATIONS**

- 10.1 All financial implications by virtue of this review are contained within existing budgetary headings.

## **11 EQUALITY AND FAIRNESS IMPLICATIONS**

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

## **12 HEALTH AND SAFETY IMPLICATIONS**

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

## **13 RECOMMENDATIONS**

Members are requested to:

- a) Consider and comment upon the revised Code of Corporate Governance;
- b) Consider and comment upon the Annual Governance Statement;
- c) Consider and comment upon the Corporate Governance Action Plan; and
- d) Receive further reports as appropriate.

# Tyne and Wear Fire and Rescue Authority

## Local Code of Corporate Governance



*Revised April 2015*

# Local Code of Corporate Governance

## INTRODUCTION

Tyne and Wear Fire and Rescue Authority (the Authority) has a corporate governance framework in place which is aimed at ensuring that we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. The corporate governance framework comprises the systems, processes, cultures and values through which we direct and controls our functions, and through which we account to, engage with and, where appropriate lead our communities.

The Authority's corporate governance framework is based upon guidance jointly issued by the Society of Local Authority Chief Executives (SOLACE) and the Chartered Institute of Public Finance and Accountancy (CIPFA) and recommended as best practice.

The framework is based upon the following six core principles:

- Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area
- Members and officers working together to achieve a common purpose with clearly defined functions and roles
- Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- Developing the capacity and capability of members and officers to be effective
- Engaging with local people and other stakeholders to ensure robust public accountability.

Each of these six core principles have supporting principles (statements) with associated requirements and the following table sets out how the Authority meets these requirements.

## Annual Governance Review

The Authority conducts, at least annually, a review of the effectiveness of the corporate governance framework including the system of internal control.

A Corporate Governance Steering Group (CGSG) has been established to lead this review. Membership of the CGSG is as follows:

- Assistant Chief Fire Officer Strategy and Performance
- Area Manager Strategic Planning, Risk and Assets
- Finance and Procurement Manager
- Development and Review Manager.

A report on the findings and recommendations arising from the review is presented to the Authority and Governance Committee.



**Core Principle 1 - Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area** - We are active members of community area forum and in addition our Strategic Community Safety Plan 2013 – 2018 sets out explicitly our planned key actions and performance targets for *creating the safest community*.

Aspects of Corporate Governance to be Achieved by Authority to Reflect Best Practice	Practical measures the Authority has taken to reflect compliance	Documents/ Processes in Place to Support Compliance
<p>1. Exercising strategic leadership by developing and clearly communicating the Authority's purpose and vision and its intended outcome for citizens and services users</p>	<ul style="list-style-type: none"> <li>• Further promote our purpose and vision</li> <li>• Review on a regular basis the Authority's vision for the local area and its impact on the Authority's governance arrangements</li> <li>• Ensure that partnerships are underpinned by a common vision that is understood and agreed by all parties</li> <li>• Publish an annual report and statement of assurance on a timely basis to communicate the Authority's activities, achievements, financial position and performance</li> <li>• Evaluate and review partnerships</li> </ul>	<p>Strategic Community Safety Plan/Integrated Risk Management Plan District Plans Departmental Level 3 plans</p> <p>Annual review of Corporate Governance Audit reviews Other independent reviews</p> <p>Partnership Agreements Partnerships Procedure</p> <p>Annual Report and Statement of Assurance Annual Statement of Accounts</p> <p>Evaluation Library (intranet) Partnerships Register</p>
<p>2. Ensuring that users receive a high</p>	<ul style="list-style-type: none"> <li>• Consider how the quality of service for users</li> </ul>	<p>Strategic Community Safety</p>

**Core Principle 1 - Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area** - We are active members of community area forum and in addition our Strategic Community Safety Plan 2013 – 2018 sets out explicitly our planned key actions and performance targets for *creating the safest community*.

<p>quality of service whether directly, or in partnership, or by commissioning</p>	<p>is to be measured and make sure that the information needed to review service quality effectively and regularly is available</p> <ul style="list-style-type: none"> <li>• A project evaluation toolkit has been introduced to assess quality of service provision</li> <li>• Effective arrangements to identify and deal with failure in service delivery are in place</li> </ul>	<p>Plan/Integrated Risk Management Plan  'After the Incident' Survey  Consultation Plan  Evaluation of performance against Local Indicators</p> <p>Project Evaluation Toolkit and Library</p> <p>Operations and Resilience team  Operational Assurance group  Risk Management and Assurance Database  Department  Standard Operating Procedures  Monitoring Officer</p>
<p>3Ensuring that the Authority makes the best use of resources and that tax payers and service users receive excellent value for money</p>	<ul style="list-style-type: none"> <li>• Value for money is measured and the results considered prior to making decisions. Information needed to review value for money and performance effectively is available to managers and the Authority. The Authority</li> </ul>	<p>Medium Term Financial Strategy  Value for Money Framework  Annual Audits  Quarterly performance reports</p>

**Core Principle 1 - Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area** - We are active members of community area forum and in addition our Strategic Community Safety Plan 2013 – 2018 sets out explicitly our planned key actions and performance targets for *creating the safest community*.

	<p>also measures the environmental impact of policies, plans and decisions.</p>	<p>Annual Report and Statement of Assurance  Statement of Accounts  Authority reports  SMT reports  Environmental Strategy  ICT Strategy  Procurement Strategy  Evaluation Toolkit and Library</p>
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**Core Principle 2 - Members and officers working together to achieve a common purpose with clearly defined functions and roles** - All Authority members and key officer roles and functions are set out in the Authority's Standing Orders and Financial Regulations, there is a protocol on member / employee relations and an agreed set of organisational values underpinning all of the Authority's work.

Aspects of Corporate Governance to be Achieved by Authority to Reflect Best Practice	Practical measures the Authority has taken to reflect compliance	Documents/ Processes in Place to Support Compliance
<p>1. Ensuring effective leadership throughout the Authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function</p>	<ul style="list-style-type: none"> <li>The Authority does not operate an executive/scrutiny model, however the executive and scrutiny functions of the Authority and its other committees are set out in Standing Orders.</li> <li>Is there some text missing here?</li> </ul>	<p>Standing Orders and Financial Regulations</p> <p>Independent chair and membership of Governance Committee</p> <p>Delegation Scheme</p> <p>Codes of Conduct</p> <p>Job descriptions</p> <p>Role maps</p>
<p>2. Ensuring that a constructive working relationship exists between Authority members and officers and that the responsibilities of members and officers are carried out to a high standard</p>	<ul style="list-style-type: none"> <li>A scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the Authority taking account of relevant legislation has been agreed and is monitored and updated when required.</li> <li>The Chief Fire Officer is responsible and accountable to the Authority for all aspects of operational management.</li> </ul>	<p>Standing Orders and Financial Regulations</p> <p>Delegation Scheme</p> <p>Delegation Scheme</p>

**Core Principle 2 - Members and officers working together to achieve a common purpose with clearly defined functions and roles** - All Authority members and key officer roles and functions are set out in the Authority's Standing Orders and Financial Regulations, there is a protocol on member / employee relations and an agreed set of organisational values underpinning all of the Authority's work.

	<ul style="list-style-type: none"> <li>• Protocols have been developed to ensure that the Chairman and Chief Fire Officer negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained</li> <li>• A senior officer is responsible to the Authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control</li> </ul>	<p>Role map  Job description  Performance Management  Standing Orders and Financial Regulations  Code of Conduct for Members  Code of Conduct for Officers</p> <p>The Finance Officer is the Authority's Section 151 Officer. The Constitution sets out the functions of Section 151 Officer as follows:</p> <ul style="list-style-type: none"> <li>• Ensuring lawfulness and financial prudence of decision making</li> <li>• Administration of financial affairs</li> <li>• Contributing to corporate management</li> <li>• Supporting the Standards Committee</li> <li>• Providing advice</li> <li>• Giving financial information</li> </ul>
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	<ul style="list-style-type: none"><li>• A different senior officer is responsible to the Authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations are complied with.</li></ul>	<p>The Deputy Clerk is the Authority's Monitoring Officer. The Constitution sets out functions of Monitoring Officer as follows:</p> <ul style="list-style-type: none"><li>• Maintaining the Constitution</li><li>• Ensuring lawfulness and fairness of decision making</li><li>• Receiving reports</li><li>• Conducting investigations</li><li>• Proper officer for access to information</li><li>• Advising whether executive decisions are within the budget and policy framework</li><li>• Providing advice</li></ul>
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**Core Principle 2 - Members and officers working together to achieve a common purpose with clearly defined functions and roles** - All Authority members and key officer roles and functions are set out in the Authority's Standing Orders and Financial Regulations, there is a protocol on member / employee relations and an agreed set of organisational values underpinning all of the Authority's work.

<p>3. Ensuring relationships between the Authority, its partners and the public are clear so that each knows what to expect of the other</p>	<ul style="list-style-type: none"> <li>• Protocols have been developed to ensure effective communication between members and officers in their respective roles</li> <li>• A Pay Policy has been agreed which sets out the terms and conditions for remuneration of officers including an effective structure for managing the review process. In addition, Members allowances are reviewed by an effective remuneration panel as appropriate.</li> <li>• Effective mechanisms exist to monitor service delivery</li> </ul>	<p>Monitoring Officer Protocol Member and Employee Codes of Conduct</p> <p>Members Allowances Scheme National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service Human Resources Committee Pay Policy</p> <p>Strategic Community Safety Plan/Integrated Risk Management Plan District Plans Communication Strategy Consultation Plan Value for Money Framework Budget Framework</p>
	<ul style="list-style-type: none"> <li>• When working in partnership members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Authority.</li> </ul>	<p>Partnership Agreements</p>

**Core Principle 2 - Members and officers working together to achieve a common purpose with clearly defined functions and roles** - All Authority members and key officer roles and functions are set out in the Authority's Standing Orders and Financial Regulations, there is a protocol on member / employee relations and an agreed set of organisational values underpinning all of the Authority's work.

	<ul style="list-style-type: none"> <li>• When working in partnership:             <ul style="list-style-type: none"> <li>• there is clarity about the legal status of the partnership</li> <li>• representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions.</li> </ul> </li> </ul>	<p>Information Sharing Protocols</p> <p>Partnership Procedure</p> <p>Service Level Agreements where appropriate</p>
	<ul style="list-style-type: none"> <li>• The Authority's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated</li> </ul>	<p>Strategic Community Safety Plan/Integrated Risk Management Plan</p> <p>Performance management systems</p> <p>District Plans</p> <p>Communication Strategy</p> <p>Consultation Plan</p> <p>Monitoring Officer</p>



**Core Principle 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour** - All Authority Members and staff are required to act in accordance with codes of conduct and high standards are promoted across the Authority and with its partners.

Aspects of Corporate Governance to be Achieved by Authority to Reflect Best Practice	Practical measures the Authority has taken to reflect compliance	Documents/Processes in Place to Support Compliance
<p>1.Ensuring Authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance</p>	<ul style="list-style-type: none"> <li>• The Authority leadership sets a tone for the organisation by creating a climate of openness, support and respect.</li> <li>• Standards of conduct and personal behaviour expected of members and staff, work between members and staff and between the Authority, its partners and the community are defined and communicated through codes of conduct and protocols</li> <li>• Arrangements are in place to ensure that members and employees of the Authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. The Authority has in place appropriate processes to ensure that they continue to operate in practice</li> </ul>	<p>Members' Code of Conduct Employees' Code of Conduct Organisational values</p> <p>Employee Personal Development Programme Anti Fraud and Corruption Policy Whistle Blowing Policy Protocol on Member/ Employee Relations</p> <p>Governance training for managers</p> <p>Members' Code of Conduct Employees' Code of Conduct Financial Regulations Standing Orders Declarations of Gifts and Interests</p>

**Core Principle 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour** - All Authority Members and staff are required to act in accordance with codes of conduct and high standards are promoted across the Authority and with its partners.

<p>2. Ensuring that organisational values are put into practice and are effective</p>	<ul style="list-style-type: none"> <li>• Shared values including leadership values both for the Authority and staff reflecting public expectations have been developed. These have been communicated with members, staff, the community and partners.</li> <li>• Arrangements are in place to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice.</li> <li>• An effective standards committee is in place.</li> <li>• Shared values act as a guide for decision making and as a basis for developing positive and trusting relationships within the Authority</li> </ul>	<p>Members' Code of Conduct          Employees' Code of Conduct          Core Values          Vision          Leadership and Development Programme</p> <p>Members' Code of Conduct          Employees' Code of Conduct</p> <p>Standing Orders set out role and functions of Governance Committee which includes promoting and maintaining high standards of conduct by members of the Authority</p> <p>Organisational values          Members' Code of Conduct          Employees' Code of Conduct          Integrated Personal Development System          Governance Audit</p>
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**Core Principle 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour** - All Authority Members and staff are required to act in accordance with codes of conduct and high standards are promoted across the Authority and with its partners.

	<ul style="list-style-type: none"><li>• In pursuing the vision of a partnership, a set of values has been agreed against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively</li></ul>	Partnership Agreements Partnership Procedure Data Sharing Protocols
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**Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk -**  
 The Authority conducts all business in an open and transparent manner, and has formal processes for declaring relationships or interests to ensure that decision-making is transparent and objective. There is a robust system of scrutiny and effective arrangements for managing risks.

Aspects of Corporate Governance to be Achieved by Authority to Reflect Best Practice	Practical measures the Authority has taken to reflect compliance	Documents/Processes in Place to Support Compliance
<p>1. Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny</p>	<ul style="list-style-type: none"> <li>• An effective scrutiny function which encourages constructive challenge and enhances the Authority's performance overall and of any organisation for which it is responsible is in place</li> <li>• Open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based have been implemented.</li> <li>• Arrangements are in place to safeguard members and employees against conflicts of interest and to ensure that they continue to operate in practice.</li> </ul>	<p>A range of scrutiny committees are in place including:            Policy and Performance Committee            Human Resources Committee            Governance Committee</p> <p>Standing Orders and Financial Regulations            Committee and Authority Management and Information System</p> <p>Members' Code of Conduct            Employees' Code of Conduct            Code of Corporate Governance            Whistle Blowing Protocols</p>

**Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk -**

The Authority conducts all business in an open and transparent manner, and has formal processes for declaring relationships or interests to ensure that decision-making is transparent and objective. There is a robust system of scrutiny and effective arrangements for managing risks.

	<ul style="list-style-type: none"> <li>• An effective audit committee which is independent is being maintained.</li> <li>• Effective transparent and accessible arrangements for dealing with complaints have been implemented.</li> </ul>	<p>Register of Gifts and Interests Anti-Fraud and Corruption Policy Governance Committee Independent Chair Independent Member Development for all Members</p> <p>Compliments, Comments and Complaints Procedure Monitoring Officer role</p>
<p>2. Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs</p>	<ul style="list-style-type: none"> <li>• Those making decisions, whether for the Authority or a partnership, are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications</li> <li>• Professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.</li> </ul>	<p>Member Induction, Learning and Development Programme Standing Orders and Financial Regulations Delegation Scheme Results of consultation exercises</p> <p>Evidence based Authority reports to support decision making</p> <p>Role of Finance Officer and Deputy Clerk</p>

**Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk -**

The Authority conducts all business in an open and transparent manner, and has formal processes for declaring relationships or interests to ensure that decision-making is transparent and objective. There is a robust system of scrutiny and effective arrangements for managing risks.

<p>3. Ensuring that an effective risk management system is in place</p>	<ul style="list-style-type: none"> <li>• Risk management is embedded into the culture of the organisation, with members and managers at all levels recognising that risk management is part of their job</li>   <li>• Arrangements are in place for whistle blowing to which staff and all those contracting with the Authority have access</li> </ul>	<p>Risk Management Policy Statement and Strategy Risk Management Framework Risk Management Member Development Programme Internal Audit and Risk Management Protocol Standing Orders and Financial Regulations</p> <p>Corporate Risk Register and Management Group</p> <p>Community risk register of the LRF</p> <p>IRMP</p> <p>Risk Management and Assurance Database</p> <p>Whistle Blowing Policy and Procedures Compliments and Complaints Policy and Procedures</p>
<p>4. Using their legal powers to the full</p>	<ul style="list-style-type: none"> <li>• The Authority actively recognises the limits of lawful</li> </ul>	<p>Standing Orders and Financial</p>

**Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk -**

The Authority conducts all business in an open and transparent manner, and has formal processes for declaring relationships or interests to ensure that decision-making is transparent and objective. There is a robust system of scrutiny and effective arrangements for managing risks.

<p>benefit of the citizens and communities in their area</p>	<p>activity placed on it by, for example the ultra vires doctrine but also strives to utilise powers to the full benefit of our communities.</p> <ul style="list-style-type: none"> <li>• The Authority recognises the limits of lawful action and observes both the specific requirements of legislation and the general responsibilities placed on the Authority by public law.</li> <li>• The Authority observe all specific legislative requirements placed upon it, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice into their procedures and decision making processes.</li> </ul>	<p>Regulations Monitoring Officer Protocol Audit and Inspection Letter Finance Officer role Deputy Clerk role</p> <p>Standing Orders and Financial Regulations Monitoring Officer Protocol Audit and Inspection Letter Finance Officer role Deputy Clerk role</p>
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**Core Principle 5: Developing the capacity and capability of members and officers to be effective -**

The Authority recognises the importance of having highly skilled and motivated Members and staff to deliver its priorities and to sustain public confidence in its services. The Authority is committed to the development of Members and staff skills, knowledge and performance through programmes of induction, training and development.

Aspects of Corporate Governance to be Achieved by Authority to Reflect Best Practice	Practical measures the Authority has taken to reflect compliance	Documents/Processes in Place to Support Compliance
<p>1. Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles</p>	<ul style="list-style-type: none"> <li>• We provide induction and training programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis.</li> <li>• We ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the organisation.</li> </ul>	<p>Member and Officer Induction Programme            Integrated Personal Development System            Member Learning and Development Programme            Workforce Development Plan            Investors in People accreditation            Stonewall Workplace Equality Index</p> <p>Delegation Scheme            Roles and responsibilities defined            Finance Officer and Deputy Clerk advisors to the Authority</p>



**Core Principle 5: Developing the capacity and capability of members and officers to be effective -**

The Authority recognises the importance of having highly skilled and motivated Members and staff to deliver its priorities and to sustain public confidence in its services. The Authority is committed to the development of Members and staff skills, knowledge and performance through programmes of induction, training and development.

<p>2. Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group</p>	<ul style="list-style-type: none"> <li>• Skills required by officers are regularly assessed and the Authority is committed to develop those skills to enable roles to be carried out effectively.</li> <li>• Members skills are assessed at recruitment and we also provide a general Learning and Development programme specifically for Members.</li> </ul>	<p>Member and Officer Induction Programme Integrated Personal Development System Member Learning and Development Programme Workforce Development Plan</p>
<p>3. Encouraging new talent for membership of the Authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal</p>	<ul style="list-style-type: none"> <li>• The Authority actively develops skills on a continuing basis to improve performance including the ability to scrutinise and challenge and to recognise when outside expert advice is needed ensuring that effective arrangements are in place for reviewing the performance of the Service as a whole and of individual members and agreeing an action plan which aims to address any training or development needs.</li> </ul>	<p>Investors in People Gold award and 'Champion' status Member Learning and Development Programme Leadership Programme Stonewall Workplace Equality Index Equality Strategy Excellent status in Equality Framework for Fire and Rescue Services</p>

**Core Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability** - The Authority has a consultation framework aimed at ensuring the community is given the opportunity to be involved in, and influence, policy-making, service delivery and evaluation in order to continually improve services.

Aspects of Corporate Governance to be Achieved by Authority to Reflect Best Practice	Practical measures the Authority has taken to reflect compliance	Documents/Processes in Place to Support Compliance
<p>1. Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships</p>	<ul style="list-style-type: none"> <li>• The Authority makes clear its role and responsibilities to Members, staff and the community.</li> <li>• Stakeholders to whom we are accountable are considered and the effectiveness of the relationships assessed with appropriate changes made</li> <li>• An annual report on all activities is published.</li> <li>• External challenge is regularly sought and acted upon</li> </ul>	<p>Strategic Community Safety Plan/Integrated Risk Management Plan</p> <p>Strategic Partnerships User surveys Consultation Plan</p> <p>Annual Report and Statement of Assurance Annual Governance Statement Freedom of Information Publication Scheme</p>
<p>2. Taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the Authority, in partnership or by commissioning</p>	<ul style="list-style-type: none"> <li>• Clear channels of communication are in place with all sections of the community and other stakeholders including monitoring arrangements to ensure that they operate effectively.</li> <li>• Meetings are held in public unless there are good reasons for confidentiality.</li> </ul>	<p>Communications Strategy Focus Groups 'After the Incident' Survey Other user surveys Consultation on IRMP proposals</p> <p>Members of the public may attend all meetings subject to the exceptions set out in the Standing Orders</p>

**Core Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability** - The Authority has a consultation framework aimed at ensuring the community is given the opportunity to be involved in, and influence, policy-making, service delivery and evaluation in order to continually improve services.

	<ul style="list-style-type: none"> <li>• Arrangements are in place to enable the Authority to engage with all sections of the community effectively. These arrangements recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands.</li> <li>• A clear policy on the types of issues it will meaningfully consult on or engage with the public and service which includes a feedback mechanism for those consultees to demonstrate what has changed as a result has been established.</li> <li>• An Annual Report and Statement of Assurance is published on an annual basis giving information on the Authority’s vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period</li> </ul>	<p>Consultation Strategy            Focus Groups            Community Safety Advocates            ‘After the Incident’ Survey            User surveys            Community engagement Plan            Freedom of Information            Publication Scheme</p> <p>Consultation Policy            User surveys            Community Engagement Plan            Freedom of Information            Publication Scheme</p> <p>Annual Report and Statement of Assurance            Annual Statement of Accounts            Strategic Community Safety Plan/Integrated Risk Management Plan</p>
	<ul style="list-style-type: none"> <li>• The Authority ensures that it is open and accessible to the community, service users and its staff and that it has made a commitment to openness and transparency in all its dealings, including partnerships subject only to the</li> </ul>	<p>Standing Orders and Financial Regulations            Community Fire Stations            Partnership Agreements</p>

**Core Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability** - The Authority has a consultation framework aimed at ensuring the community is given the opportunity to be involved in, and influence, policy-making, service delivery and evaluation in order to continually improve services.

	<p>need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so</p> <ul style="list-style-type: none"> <li>• All outwardly facing projects we deliver are evaluated by asking local people and stakeholders</li> </ul>	<p>Partnership Procedure Data Sharing Protocols Community Engagement Plan Freedom of Information Publication Scheme</p> <p>Compliance with local government transparency code</p> <p>Evaluation Toolkit and Library</p>
<p>3. Making best use of human resources by taking an active and planned approach to meet responsibility to staff</p>	<ul style="list-style-type: none"> <li>• A clear policy on how staff and their representatives are consulted and involved in decision making has been implemented</li> <li>• We clearly publish results of consultation and evaluation involving staff</li> </ul>	<p>Joint Consultative Committee Investors in People Representative Body Protocol</p> <p>Evaluation Toolkit and Library</p>

## **Code of Corporate Governance - Glossary of Terms**

### **Authority Risk Management Group**

A group of senior officers of the Authority tasked with ensuring that the major strategic risks of the Authority are properly identified, managed and minimised.

### **Consultation Plan**

This is a plan to obtain the views of stakeholders on the efficiency, effectiveness and economy of services and use these results to inform the process of continuous improvement.

### **Delegation Scheme**

An agreed document setting out the various powers delegated by the Authority to appropriate committees, members and officers.

### **Freedom of Information Publication Scheme**

This provides details of the classes of information published by the Authority, how the public can access it and whether a charge is levied for accessing the information.

### **Financial Regulations**

This details the rules of procedure governing the way in which management of the Authority's financial affairs will be conducted.

### **Investors in People**

Investors in People is a national award which recognises the commitment of an organisation to developing its people in order to achieve its corporate objectives and to improve performance.

### **Monitoring Officer**

The Monitoring Officer has the responsibility for advising on the legality of the Authority's actions. The Authority has appointed the Head of Legal and Democratic Services, City of Sunderland, as the appropriate officer.

### **Members Code of Conduct**

Agreed Code set out in the Standing Orders governing how Members must conduct themselves whilst carrying out Authority business or acting as a representative of the Authority.

### **Officers Code of Conduct**

Agreed Code detailing the standards of conduct expected of all employees whilst carrying out their work for the Authority.

### **Equality Strategy**

The document that details the Authority's plans to achieve race, gender and disability equality at work and our commitment to support a diverse workforce serving a diverse community.

**Standing Orders**

Rules of procedure governing the way in which the Authority operates, how decisions are made and the procedures which must be followed to ensure all our interactions (including procurement) are efficient, transparent and accountable to the community we serve.

**Strategic Community Safety Plan and Integrated Risk Management Plan**

A risk based document setting out in detail for the Authority the plans, policies, resource allocations and performance targets for the next five years.

**Governance Committee**

A Committee of the Authority set up to promote and maintain high standards of conduct by Members.

**Section 151 Responsibilities**

Under Section 151 of the Local Government Act 1972, the authority must appoint one of its Officers as responsible for the proper financial administration of its affairs. The Authority has appointed the Finance Officer, City of Sunderland, as the appropriate Officer.

**Whistle Blowing Policy**

A policy adopted by the Authority setting out how employees and the public can report matters of concern to the appropriate Officers within the Authority on a confidential basis.

## TYNE AND WEAR FIRE AND RESCUE AUTHORITY

### ANNUAL GOVERNANCE STATEMENT 2014/15

#### 1 SCOPE OF RESPONSIBILITY

- 1.1 Tyne and Wear Fire and Rescue Authority (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 and 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 regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3 The Authority has had a Code of Corporate Governance in place since 2003, revised during 2014/15. The Authority has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The revised Code is available on the Authority's website ([www.twfire.gov.uk](http://www.twfire.gov.uk)) or can be obtained from the Fire and Rescue Service Headquarters.
- 1.4 This Statement explains how the Authority has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit (England) Regulations 2011 in relation to the publication of a statement of internal control.

#### 2 THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework primarily includes systems and processes and culture and values by which the Authority directs and controls its activities and engages with 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.
- 2.2 The system of internal control is a significant part of that 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. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the

impact should they be realised, and to manage them efficiently, effectively and economically.

- 2.3 The governance framework has been in place at the Authority for the year ended 31 March 2015 and up to the date of approval of the Annual Report and Statement of Assurance and Statement of Accounts.

### **3 THE GOVERNANCE FRAMEWORK**

#### **3.1 There is a clear vision of the Authority's purpose and intended outcomes for service users that is clearly communicated, both within the organisation and to external stakeholders:**

- The Strategic Community Safety Plan draws together a shared vision, principles for action and priorities (strategic objectives). For each strategic objective, key targets have been identified. The Plan sets out explicitly the key actions and performance targets for the future, and these are clearly linked with departmental/district service plans and resources. The Plan outlines the Authority's roles and responsibilities, the context in which it operates, what the strategic priorities and improvement objectives are, how the Authority will realise its vision, what its performance improvement and monitoring arrangements are, performance indicators and a financial overview. The financial overview section provides background commentary to the issues the Authority has considered in setting the budget and in preparing the Medium Term Financial Strategy.
- The Strategic Community Safety Plan incorporates our Integrated Risk Management Plan (IRMP) actions which recognises the risks within the Authority boundaries that are identified in the Community Risk Profile and need to be addressed, and ensures that the available resources are targeted at these risks.
- Communication of objectives to staff and stakeholders takes place through the following means:
  - Distribution of the Strategic Community Safety Plan on the Authority's website and intranet
  - Consultation with staff and stakeholders on IRMP proposals
  - The issue of an Annual Report and Statement of Assurance setting out the Authority's priorities, how the Authority spent money on achieving these during the last financial year, and how successful the Authority has been
  - Through the Authority's Investors in People processes
  - Listening events and management / staff briefings
  - Posters throughout the Authority's premises



**3.2 Arrangements are in place to review the Authority's vision and its implications for the Authority's governance arrangements:**

- The Strategic Community Safety Plan, the Integrated Risk Management Plan and all priorities are regularly reviewed to provide a long-term focus for the Authority
- Through reviews by external bodies the Authority constantly seeks ways of securing continuous improvement. The Authority has professional and objective relationships with these external bodies
- There are comprehensive annual reviews of the local Code of Corporate Governance to ensure that it is up to date and effective.

**3.3 Arrangements exist for measuring the quality of services for users, for ensuring they are delivered in accordance with the Authority's objectives and for ensuring that they represent the best use of resources:**

- There are clear and effective performance management arrangements including personal development plans for all staff, which address financial responsibilities and include equality objectives
- There is regular reporting of performance against key targets and priorities to the Authority's Strategic Management Team, the Governance Committee and the Policy and Performance Committee
- Services are delivered by suitably qualified/trained/experienced staff and all posts have detailed job profiles/descriptions and person specifications
- External auditors deliver a conclusion annually on the Authority's arrangements for securing economy, efficiency, and effectiveness.

**3.4 The roles and responsibilities of all officers and staff are clearly defined and documented, with clear delegation arrangements and protocols for effective communication:**

- Standing Orders and Financial Regulations are in place and these set out how the Authority operates and how decisions are made, including a clear Delegation Scheme
- The Standing Orders and Delegation Scheme indicates responsibilities for functions and sets out how decisions are made
- The Standing Orders contain the Terms of Reference of the full Authority and other committees, setting out executive and scrutiny functions within these

**3.5 Codes of Conduct defining the standards of behaviour for Members and staff are in place, conform with appropriate ethical standards, and are communicated and embedded across the organisation:**

The following are in place:

- Members' Codes of Conduct
- Employees' Code of Conduct
- Registers of Interests, Gifts and Hospitality
- Monitoring Officer Protocols.

**3.6 Standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which are reviewed and updated as appropriate, clearly define how decisions are taken and the processes and controls required to manage risks:**

- The Director of Finance at Sunderland City Council is the designated Finance Officer in accordance with Section 151 of the Local Government Act 1972 ensuring lawfulness and financial prudence of decision-making, and is responsible for the proper administration of the Authority's financial affairs
- The Deputy Clerk is the Authority's Monitoring Officer who has maintained an up-to-date version of the Standing Orders and has endeavoured to ensure lawfulness and fairness of decision making
- The Authority has in place up to date financial procedure rules and procurement rules which are subject to regular review
- Written procedures are in place covering financial and administrative matters, as well as HR policies and procedures. These include:
  - Whistle Blowing Policy
  - Anti-Fraud and Corruption Policy
  - Codes of Conduct
  - Health and Safety Policy
  - Compliments, Comments and Complaints Policy
  - Corporate Risk Management Strategy
  - Procurement Codes of Practice
  - Partnerships procedure
  - Treasury Management Strategy based upon CIPFA's Treasury Management Codes
  - Functional budget management schemes.
- There are robust and well embedded risk management processes in place, including:
  - Risk Management Strategy and Policy Statement
  - Corporate Risk Profile

- Integrated Risk Management Plan
  - Nominated Risk Manager
  - Corporate Risk Management Group
  - Partnerships Risk Register
  - Member Risk Champion.
  - Risk Management and Assurance Database
- There are comprehensive budgeting systems in place and a robust system of budgetary control, including formal quarterly and annual financial reports, which indicate financial performance against forecasts.
  - The Authority has achieved accreditation to ISO22301 for Business Continuity, and Business Continuity Plans are in place which are subject to ongoing review, development and testing.
  - There are clearly defined capital expenditure guidelines and capital appraisal procedures in place.
  - Appropriate project management disciplines are utilised.
  - The Authority participates in the National Fraud Initiative and subsequent investigations.

**3.7 The core functions of an audit committee, as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*, are undertaken by members.**

The Authority has a Governance Committee which, as well as approving the Authority's Statement of Accounts, undertakes an assurance and advisory role to:

- consider the effectiveness of the Authority's corporate governance arrangements, risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements and seek assurance that action is being taken on risk-related issues identified by auditors and inspectors
- be satisfied that the Authority's assurance statements, including the Statement of Internal Control, properly reflect the risk environment and any actions required to improve it
- receive and consider (but not direct) internal audit's strategy, plan and monitor performance
- receive and consider the external audit plan
- review a summary of internal audits, the main issues arising, and seek assurance that action has been taken where necessary

- receive and consider the annual report of internal audit
- consider the reports of external audit and inspection agencies, including the Annual Audit Letter
- ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted
- review the external auditor's opinions and reports to members, and monitor management action in response to the issues raised by external audit, and
- make recommendations or comments to the Authority as appropriate.

**3.8 Arrangements exist to ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. All reports are considered for legal issues before submission to members:**

- The Deputy Clerk is the Authority's designated Monitoring Officer and a protocol is in place with all Principal Officers, to safeguard the legality of all Authority activities
- The Authority maintains an Internal Audit Service, provided by Sunderland City Council. An independent annual review of its effectiveness is undertaken which concluded that it operated in accordance with professional standards. Internal audit work is planned on the basis of risk.

**3.9 Arrangements for whistle-blowing and for receiving and investigating complaints from the public are in place and are well publicised:**

- The Authority is committed to establishing and maintaining effective reporting arrangements to ensure that, where an individual, whether an employee of the Authority, a Member, or any member of the public, has serious concerns regarding the conduct of any aspect of the Authority's business, they can do so through a variety of avenues, promptly and in a straight forward way
- The framework in place to ensure the aims of this policy are met are set out in the 'Whistle Blowing Policy Arrangements' procedure for Authority staff. Members of the public currently raise issues through the Compliments, Comments and Complaints procedure and there is also a whistle blowing policy and procedure for members of the public
- Monitoring records held by the Deputy Clerk on behalf of Members, and the Chief Fire Officer on behalf of staff and members of the public reveal that the whistle blowing arrangements are being used, and that the

Authority is responding appropriately. The whistle blowing arrangements have assisted with the maintenance of a strong regime of internal control.

**3.10 Arrangements exist for identifying the development needs of members and Principal officers in relation to their strategic roles:**

- The Authority has a Members Learning and Development Programme in place which sets out a clear commitment to Members to provide a range of learning and development opportunities which will improve their knowledge, skills and abilities in their individual or collective roles in meeting Authority strategic objectives. In addition Members have access to their nominating authority learning and development policies, plans and procedures.
- The Elected Member Learning and Development Programme aims:
  - To provide comprehensive Member development
  - To ensure that all newly elected Members are properly inducted into the Authority
  - To ensure that all emerging needs for both individuals and across the board are identified and addressed
  - To ensure that resources available for Member development are effectively used.
- The Authority has a Human Resource Strategy to enable and support the organisation in managing the performance of all of its employees through effective policies, procedures and working practices and is key to ensuring that the organisation meets the needs of the community. This includes assessing ability against requirements of the role, annual performance review focusing on strengths and highlighting areas of weakness, job related training, and ongoing evaluation and includes the extent to which an employee understands and supports the values of the Authority.

**3.11 Clear channels of communication have been established with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation:**

- The Authority has a Consultation Strategy which aims to ensure that consultation activity is effectively co-ordinated across the Authority and with partner agencies, impacts on service delivery, and is delivered to a high standard
- The strategy is complemented by the Community Engagement Strategy which outlines the Authority's approach to engaging with the community, in particular minority and vulnerable sectors of society.

**3.12 Governance arrangements with respect to partnerships and other group working incorporate good practice as identified by the Audit Commission's report on the governance of partnerships, and are reflected in the Authority's overall governance arrangements:**

- The Authority has published a Partnerships Procedure which includes a template for Partnership Agreements and a Partnership Toolkit. This has been revised in 2015. The procedure is designed to provide a corporate framework for all staff involved in considering new partnership working, and to assist Members and officers to review existing arrangements
- A Register of Partnerships is maintained. The deliverables of all prospective and existing partnership is closely measured using a standard framework
- A review of all partnerships is presented to the Strategic Management Team on an annual basis.
- An Information Sharing Protocol is also in the final stages of development which will underpin Information Sharing Agreements with partners.

## **4 REVIEW OF EFFECTIVENESS**

- 4.1 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 is informed by feedback from Members and the work of all senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Internal Audit Annual Report, and also by comments made by the external auditors and other review agencies and inspectorates.
- 4.2 The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control includes the following:

The role of the Authority

- Elected Members have participated in the annual review of the Authority's Corporate Governance arrangements
- The Chair of the Authority, the Chief Fire Officer and the Finance Officer have overseen the review and signed the Annual Governance Statement.

The role of the Strategic Management Team:

- The findings of the Annual Governance Review have been reported to the Strategic Management Team for their consideration and comment.

The role of the Governance Committee:

- The findings of the Annual Governance Review have been reported to the Governance Committee. Under their Terms of Reference the Governance Committee has satisfied themselves that the Authority's

assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it.

- There is a system of scrutiny delivered through the HR Committee, Governance Committee and the Policy and Performance Committee including scrutiny of:
  - the effectiveness of corporate governance arrangements
  - the Authority's treasury management policy and strategy, including the annual borrowing and investment strategy
  - organisational performance
  - potential for future changes in service provision based on relevant performance information, risk analysis and changes in economic, social and environmental conditions or statutory requirements

4.3 All Area Managers have participated in the annual governance review relating to their areas of responsibility by providing Controls Assurance Statements relating to their area of responsibility, following consideration of their department heads' detailed self-assessments / questionnaires.

4.4 Internal audit planning processes include consultation with the Principal Officers, reviews of the Strategic Community Safety Plan, Integrated Risk Management Plan and the Corporate Risk Profile. Audit work is risk based and includes risks in relation to the achievement of Service objectives, and Internal Audit Services carry out regular systematic auditing of key financial and non-financial systems.

4.5 External audit is now undertaken by Mazars, a private company appointed by the Audit Commission for this purpose. The Annual Audit Letter gives independent assurance of financial control and Value for Money (including financial resilience and the overall efficiency and effectiveness of the Authority).

4.6 In the latest Annual Audit Letter covering 2013/14, Mazars issued an unqualified conclusion on both financial arrangements and Value for Money, and identified no significant weaknesses in the Authority's arrangements for internal control. Their report included comments that:

- The Authority managed its financial position well. Budget setting was robust and close monitoring ensured delivery of spending within revenue and capital budget limits
- The Medium Term Financial Strategy sets out how the Authority proposes to deal with the difficult economic climate and the cuts in funding
- Careful financial management has enabled the Authority to build up a good level of earmarked reserves that are set aside for specific plans and projects.

- 4.7 It is considered that the Annual Audit Letter give reassurance that the Authority's overall governance and control arrangements are satisfactory.
- 4.8 Findings of external bodies/audits are collated, acted upon and monitored by the Strategic Management Team.

## **5 ASSURANCE STATEMENTS**

- 5.1 The Strategic Management Team, the Authority and the Governance Committee have advised us of the findings of the review of the effectiveness of the governance framework, and an action plan has been agreed for the continuous improvement of the Authority's Corporate Governance and Internal Control Arrangements.
- 5.2 We propose over the coming year to take steps to implement the action plan to further enhance the Authority's governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in the review of effectiveness and will monitor their implementation and operation as part of the next annual review.

Tom Wright  
Chair of the Authority

Tom Capeling  
Chief Fire Officer

Sonia Tognarelli  
Finance Officer

29<sup>th</sup> June 2015



## Tyne and Wear Fire and Rescue Authority

## 2014/15 Annual Review of Corporate Governance and Internal Control Arrangements

## Action Plan 2014/15

Ref.	Corporate Improvement Objectives	Update	Responsible Officer
10	Provide refresher training to managers regarding scrutiny activities (it was agreed this would be included in wider training on corporate governance. This was delivered in 2014 and is now being rolled out more widely).	Complete	ACO Strategy and Performance
15	Review the standing orders and financial regulations to take account of organisational changes	In progress	ACO Strategy and Performance and Monitoring Officer
17	Provide all relevant staff with a reminder of partnership approval process and update the Partnership Register	Complete	AM Community Safety
20	Undertake Operational Assessment and Peer Review	Complete	Strategic Management Team
22	Carry out Your Views Count survey	Complete	AM Strategic Planning, Risk and Assets
23	Review the Members Learning Programme	Review in progress	AM Human Resources
24	Further roll out the Risk Management and Assurance Database to cover more areas of the organisations activities	Complete	AM Strategic Planning, Risk and Assets
25	Review and update the Whistleblowing and Fraud and Corruption policies to ensure compliance with new guidance	Complete	AM Strategic Planning, Risk and Assets

## Tyne and Wear Fire and Rescue Authority

### 2015/16 Annual Review of Corporate Governance and Internal Control Arrangements

#### Action Plan 2015/16

Ref.	Corporate Improvement Objectives	Update	Responsible Officer
15	Review the standing orders and financial regulations to take account of organisational changes	In progress	ACO Strategy and Performance and Monitoring Officer
23	Review the Members Learning Programme	Review in progress	AM Human Resources
26	Review and further roll out Project Evaluation		AM Strategic Planning, Risk and Assets
27	Review and improve information sharing across partners– focus on vulnerable people		ACO Community Safety
28	Meet data security requirements, including implementation of Emergency Services Mobile Communication Programme (ESMCP)		ACO Community Safety
29	Review the officer Delegation Scheme		Chief Fire Officer
30	Ensure that any governance implications associated with the Trading Company are built into Standing Orders as required		Monitoring Officer