



GOVERNANCE COMMITTEE held in the Fire and Rescue Service Headquarters, Barmston Mere on Friday 30 June 2023 at 10.30am.

Present:

Item 3 (ii)

Mr G Cook in the Chair

Councillors Bell, Dodds, Keegan, Usher and Smith together with Miss G Goodwill.

The Chair welcomed Councillors Usher and Smith to their first meeting of the Governance Committee.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Mr Knowles and the CFO.

Declarations of Interest

There were no declarations of interest.

Minutes

1. RESOLVED that the minutes of the meeting of the Governance Committee held on 6 March 2023 were agreed as a correct record.

Internal Audit Plan Report 2023/2024

The Head of Internal Audit submitted a report to consider the performance of Internal Audit for 2022/2023, areas of work undertaken and the internal audit opinion regarding the adequacy of the overall system of internal control within the Tyne and Wear Fire and Rescue Service.

The Committee was advised that the Internal Audit of the service measured its performance in terms of Efficiency, Quality and Client Satisfaction. Performance during the year was shown in Appendix 1. All KPIs for 2022/23 were achieved.

The Committee was referred to Section 4.2 of the report and asked to note that as a result of the audits carried out, a number of actions had been agreed to improve internal control. These amounted to 15 medium and 9 low risk actions.

The findings of the 2022/23 audits had been taken together with the findings of audits from the previous two years to form an opinion on each of the identified key risk areas, and an opinion on the adequacy of the overall system of internal control for the Authority. The detailed analysis of these opinions was provided at Appendix 2 of the report.

DCFO Heath advised Members that the only moderate risk outstanding was in relation to information governance and that the progress made in relation to this was outstanding which would be discussed later on the agenda.

2. RESOLVED that the contents of the Internal Audit Annual Report be noted.

Treasury Management – Annual Review of Performance

The Finance Director submitted a report to report on the Treasury Management performance of the Authority for 2022/2023 in line with best practice as prescribed by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (2011).

Members were advised that the report set out the annual borrowing and investment performance for the financial year 2022/2023 in accordance with the requirements of the Treasury Management Policy Statement and Treasury Management Strategy approved by the Authority on 14th March 2022.

Michelle Ronan, Head of Finance explained that there were 3 main areas namely:- cost of borrowing, rate of return on investments and Treasury Management Prudential Indicators.

In relation to the cost of borrowing the average rate of the lead authority's borrowing at 2.55% compared very favourably when benchmarked (3.00%) against other authorities and had helped to keep the revenue cost of the Authority's borrowing low in comparison. To put this into context, Members were advised that the cost of borrowing amounted to £258,000 whilst at outturn £284,000 had been predicted.

With regards to the rate of return on investments the Authority had benefitted from the fact that its investment income had been matched to the benchmark rate of 2.24%. The rate of return had also improved significantly from the very low position assumed when the revenue budget was drawn up for 2022/23. An overachievement of £294,000 had therefore been realised.

The Committee was then advised that the Authority had not exceeded any of its Treasury Management Prudential Indicators during 2022/2023 and that the Authorised Borrowing Limit for External Debt for the Authority, which was a statutory limit which must be set each year under section 3(1) of the Local Government Act 2003, was not exceeded. This limit was set at £52.816m for 2022/2023 and the

highest level reached by the Authority of £33.235m during the year was below this limit.

The Chair, on behalf of the Committee commented that this was an excellent report.

3. RESOLVED that the Treasury Management performance of the Authority for 2022/2023 be noted and endorsed.

Statement of Accounts 2022/2023 (Subject to Audit)

The Finance Director submitted a report to:-

- Provide members with an opportunity to review and question the draft Authority's Statement of Accounts for 2022/2023 (Subject to Audit) – (Appendix B), alongside the Finance Officer's Narrative Statement and the Annual Governance Statement that were both required to be published separately to the Accounts in accordance with the requirements of the Accounts and Audit Regulations 2015;
- To provide members with details of the Statement of Accounts process and the key dates for the 2022/23 financial year in which local electors could challenge the accounts in accordance with the revised statutory timescales which had been impacted by the government's late decision to revert back to 31st May deadline after a very short consultation where most local authorities requested the government to change the deadline to 30th June 2023. The Authority's Accounts subject to audit were however later than the statutory deadline unfortunately, and a separate Notification was issued on the Authority's website on 30th May 2023 to explain the reasons for the delay. This was detailed in Appendix A to the report for information as this was a requirement of the Regulations; and
- Provide members with the Letters of Assurance required by the external auditor as part of the final accounts process and specifically to approve the contents of the Letter of Assurance from those charged with Governance (Appendix F) and, to note the Letter of Assurance from those charged with discharging management processes and responsibilities (Appendix G).

Members were advised of two corrections to the report in that paragraph 3.4 of the report stated that the Annual Governance Committee was scrutinised by the Committee in May, however this was on the agenda for today's meeting.

In addition, the 30th June was a Friday and not a Wednesday.

The Committee was advised that the draft unaudited accounts must be published by 31 May 2023 at the latest. The statutory period for the publication of the audited accounts had also been moved from 31 July 2023 to 30 September 2023 in accordance with revised government guidelines which were confirmed very late despite general opposition and views that the deadlines should have remained unchanged from the previous year mainly based on the fact some Authorities still had not had their 2021/22 Accounts signed off by the external auditor and that the

Authority had only just received the required pension data and disclosures for the current accounting year 2022/23. This meant the deadline for the accounts of 31st May 2023 simply could be achieved.

Members were referred to the processes in relation to statutory dates detailed within the report and also the associated appendices.

The Chair questioned whether other local authorities were being affected by late pension information and was advised that the LGPS Scheme issue was due to Mazars not receiving the relevant information hence why 2 years accounts were unaudited.

In response to a question from the Chair it was confirmed that no penalty charge would be applied.

The Service had experienced higher levels of corporate staff vacancies than the budget assumed over most of this financial year, which was anticipated to ease during the latter stages of the fiscal year. This factor showed staff vacancies were 14% on average across the year which had created a saving of almost £1.4m. Whilst this was a one-off saving provided the posts were filled, the service was to review the roles and necessity of some of the longer dated vacant posts to ensure they were needed.

DCFO Heath assured the Committee that there was no attempt to reduce head count however certain departments were very buoyant in terms of staff numbers so plans were being implemented.

The Chair questioned when the next inspection of the service would be and DCFO Heath explained that at the present time he was unsure, however it was likely to be at the end of the calendar year or the beginning of the next calendar year.

Councillor Dodds commented that the same problems were being experienced within Gateshead Council therefore work was underway to retain the necessary staffing levels.

ACFO McVay explained that there were some key roles that were proving difficult to recruit so therefore a piece of work was underway in relation to pay scales and pay grades.

The Chair commented that roles could be combined with a more attractive pay grade being attached to the post.

4. RESOLVED that:-

- (i) The draft and unsigned Statement of Accounts 2022/2023 (subject to audit) and the separate Statements, which were set out in more detail in Appendices B to D of the report be noted, in compliance with the requirements of the Accounts and Audit Regulations 2015;
- (ii) The contents of the Letter of Assurance from those

charged with Governance (Appendix F) be approved; and

- (iii) The Letter of Assurance from those charged with discharging management processes and responsibilities (Appendix G) be noted.

Information Governance Improvement Update

The Chief Fire Officer/Chief Executive (Clerk to the Authority), the Finance Director and the Personnel Advisor to the Authority submitted a joint report to provide Governance Committee with an overview of issues identified within the Information Governance (IG) function in the last 12 months, and a progress update on the improvement activities undertaken to address these.

ACFO McVay advised the Committee that due to some internal assurance activity that was undertaken last year, it became apparent that there was a performance and compliance issues that needed to be addressed within the IG function.

During September 2022 the Service built a clearer picture of which IG responsibilities had not been completed and which tasks and functions needed to be addressed urgently and in what order.

Members were advised that the Service engaged with the Information Commissioner's Office (ICO) initially to confirm a matter of non-compliance that has since been closed, and then subsequently for advice. The ICO had been supportive and helpful in providing general and tailored advice about how to address improvements. The ICO had also confirmed in writing that they currently had no issues of concern with the Service and they were supportive of the Service's approach to improvement.

ACFO McVay explained that the internal assurance report was completed in August which helped inform an action plan of immediate improvements and activities that needed to be undertaken and temporary appointment was made to the post of IG Advisor effective from September 2022 with a permanent appointment being made in February 2023.

The Committee was then advised that an immediate review of all Information Governance policies, procedures and guidance was almost complete and the backlog of business as usual tasks and implementation of administrative systems was now complete.

New Microsoft forms had been created with guidance for users to submit requests for information. These were launched on the Service intranet and external website in January 2023. This automatically populated a spreadsheet so progress could be monitored which ACFO McVay did on a weekly basis and also 91% of the workforce had completed the E-Learning Package.

Compliance against the GDPR was audited by Sunderland City Council during Q4 2022/23 and a 'Moderate' level of assurance was awarded. ACFO McVay assured Members that the Service was now in a much stronger position.

The Committee was advised that during 2022/23 135 requests were received. 94 requests were complete. 68 were completed within 20 working days. 43 information requests were not fulfilled. Upon the new post holder taking up the role, she contacted the individuals / organisations who submitted these requests and they either no longer required the information or did not respond to our follow up contact.

In relation to Subject Access Requests, 7 data subject access requests were received and all were completed within the 30 calendar day timescale.

In response to a question from Members querying whether the checks and balances now in place would assist in terms of resource and time allocated with the Service being more upfront with information, ACFO McVay advised that there was now a section on the intranet which published previous FOI's so that people requesting information could initially be pointed in that direction to see if that fulfilled their requirements and that these were published quarterly and also detailed within themes.

DCFO Heath explained that SAR's took a considerable amount of time but obviously were not published, however a system was now in place whereby checks could be done to see if the individual requesting the information had actually accessed the file.

5. RESOLVED that:-

- (i) the contents of the report be noted and endorsed; and
- (ii) Further reports be received as appropriate.

Annual Governance Statement

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Finance Director submitted a joint report to consider the draft Annual Governance Statement for 2022/23 and also the revised Code of Corporate Governance 2023.

DCFO Heath reminded Members that the Authority must approve the Annual Governance Statement each year prior to adopting the Statement of Accounts (appended to the report).

The Committee was advised that three actions from the Annual Governance Statement 2022/23 remained outstanding and had been carried forward for completion during 2023/24. These were detailed at Appendix A of the report.

No new improvement actions were identified during the annual governance review 2022/23, for action during 2023/24 and the Authority's Code of Corporate Governance had been reviewed and updated for 2023. The updated Code was attached at Appendix B of the report.

DCFO Heath explained that the review had not identified any weaknesses that would need to be highlighted in the Annual Governance Statement 2022/23 and subject to the completion of the three outstanding improvements action during 2023/24, the Authority's governance and internal control systems were considered effective.

6. RESOLVED that:-

- (i) the draft Annual Governance Statement for 2022/23 be noted; and
- (ii) the revised Code of Corporate Governance 2023 be noted.

Compliments and Complaints Annual Report

The Chief Fire Officer/Chief Executive (Clerk to the Authority), the Finance Director and the Personnel Advisor to the Authority submitted a joint report to provide the Governance Committee with an overview of the compliments and complaints received by Tyne and Wear Fire and Rescue Service from 1 April 2022 to 31 March 2023.

DCFO Heath advised that during 2022/23, 158 compliments and 18 complaints were received.

Whilst the Service strives for operational excellence, there may be occasions when it did not deliver to the standards expected and welcomed views about performance, allowing the opportunity to investigate and correct circumstances of underperformance and learn from the outcomes in order to improve the quality of service provided.

DCFO Heath explained that during 2022/23 the number of compliments increased by 183%, rising from 86 2021/22 to 158. Whilst TWFRS was a very humble organisation, these were important to capture and therefore awareness was being raised.

With regards to complaints, of the 18 complaints received for 2022/23, 11% were upheld following investigation. The highest number of complaints received (6) were related to on duty staff conduct, however none of those complaints were upheld following a thorough investigation. Staff had also received training in relation to Local Government Ombudsmen.

DCFO Heath explained that the Fire Service had received some negative press within the media which had resultantly led to some very threatening correspondence. Where the individuals could be identified, these had been responded to and reported to the Police.

Councillor Keegan reported that the talk at the Village Association had gone extremely well suggested that this also be delivered to different associations.

7. RESOLVED that:-

- (i) the contents of the report be noted and endorsed; and
- (ii) Further reports be received as appropriate.

Local Government (Access to Information) (Variation Order) 2006

8. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during consideration of the remaining business as it contains information relating to the financial or business affairs of any particular person (including the Authority holding that information). (Local Government Act 1972, Schedule 12A, Part I, Paragraph 3).

(Signed) G COOK
Chair