TYNE AND WEAR FIRE AND RESCUE AUTHORITY

MEETING: 15 JUNE 2009

SUBJECT: ANNUAL GOVERNANCE REVIEW 2008/2009

JOINT REPORT OF THE CHIEF FIRE OFFICER, CLERK TO THE AUTHORITY, THE FINANCE OFFICER

1 INTRODUCTION

1.1 The purpose of this report is to provide details of the findings of the 2008/2009 Annual Governance Review and seek approval to 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), which was 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 updated in June 2008.

3 THE REVISED FRAMEWORK: DELIVERING GOOD GOVERNANCE IN LOCAL GOVERNMENT

3.1 In 2004, the Independent Commission on Good Governance in Public Services and the Chartered Institute of Public Finance and Accountancy (CIPFA), in partnership with the Joseph Rowntree Foundation, published a set of common principles that it would wish all public sector organisations to adopt. The commission recommended a common governance standard for public services similar to the private sector's Combined Code, namely the Good Governance Standard for Public Service. This builds on the existing principles for the conduct of individuals in public life by setting out six core principles that should underpin the governance arrangements of all bodies.

The principles are:

- a clear definition of the body's purpose and desired outcomes;
- well-defined functions and responsibilities;
- an appropriate corporate culture;
- transparent decision making;
- a strong governance team;
- real accountability to stakeholders.

3.2 Further to this, in June 2007, SOLACE/CIPFA issued a new framework and associated guidance on corporate governance, entitled 'Delivering Good Governance in Local Government'. In the new framework, these six core principles have been adapted for the local authority context. The principle of leadership has been developed to emphasise the role of authorities in 'leading' their communities and therefore this concept 'overarches' the other principles.

3.3 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.

3.4 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.

3.5 The framework does advocate that, in order to review current arrangements, authorities should take the following steps:

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

3.6 The framework document is intended to be followed as best practice for developing and maintaining a local code of corporate governance and for discharging accountability for the proper conduct of public business through the publication of an Annual Governance Statement (AGS), and the Authority is now required to publish its second AGS with the 2008/2009 Statement of Accounts.

3.7 The CIPFA Finance Advisory Network has also issued detailed practical guidance on meeting the requirements of the AGS. The AGS must be supported by a comprehensive assurance gathering process and as a result of this the Chief Fire Officer can confirm that an internal audit (undertaken during January to April 2009) of this process confirmed the arrangements in place were good.

4 2008/2009 ANNUAL GOVERNANCE REVIEW

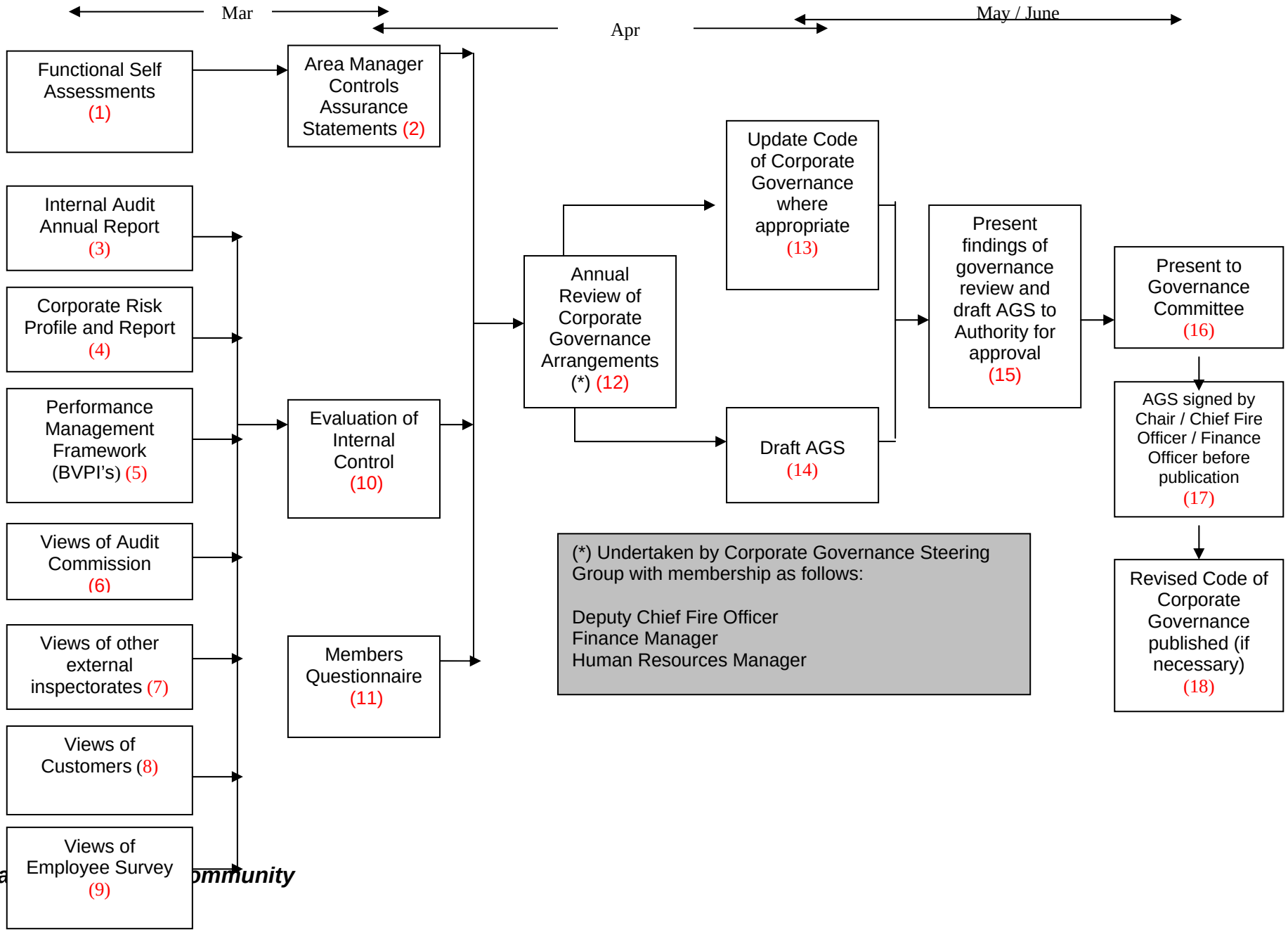
4.1 The review was undertaken by the Corporate Governance Steering Group whose membership is as follows:

- Deputy Chief Fire Officer ;
- Finance Manager;
- Human Resources Manager.

4.2 The review followed the agreed methodology, which comprises the following stages:

- Completion of Functional Self Assessments (covering all areas);
- Completion of Area Manager Controls Assurance Statements;
- Completion of a Members questionnaire;
- Completion of an Officer's questionnaire;
- Detailed analysis and evidencing of internal control arrangements;
- Undertaking a Corporate Governance Steering Group Review Workshop;
- 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 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 below.


Mar
Apr
May / June
Functional Self Assessments (1)
Area Manager Controls Assurance Statements (2)
Internal Audit Annual Report (3)
Corporate Risk Profile and Report (4)
Performance Management Framework (BVPI's) (5)
Views of Audit Commission (6)
Views of other external inspectorates (7)
Views of Customers (8)
Views of Employee Survey (9)
Evaluation of Internal Control (10)
Members Questionnaire (11)
Annual Review of Corporate Governance Arrangements (*) (12)
Update Code of Corporate Governance where appropriate (13)
Draft AGS (14)
Present findings of governance review and draft AGS to Authority for approval (15)
Present to Governance Committee (16)
AGS signed by Chair / Chief Fire Officer / Finance Officer before publication (17)
Revised Code of Corporate Governance published (if necessary) (18)
(*) Undertaken by Corporate Governance Steering Group with membership as follows:
Deputy Chief Fire Officer
Finance Manager
Human Resources Manager

4.3 **Functional Self Assessments** (1) - Governance and control self-assessments were completed by all Area Managers. 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 sited in relation to each question, and any significant plans for improvement within their area to be recorded.

4.4 **Area Manager Controls Assurance Statements** (2) - Each Area Manager personally signed a Controls Assurance Statement having 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. The completed functional self-assessments and Controls Assurance Statements were then considered by the Corporate Governance Steering Group (The Group).

4.5 **Evaluation of Internal Control Arrangements** (10) - The Authority's internal control arrangements were assessed in line with guidance from CIPFA's Financial Advisory Network.

4.6 **Views of Elected Members** (11) - The views of all Elected Members were sought via a questionnaire. Responses were received from 8 Members (54% return) and these were considered by the Group.

4.7 **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.

5 FINDINGS OF THE CORPORATE GOVERNANCE STEERING GROUP

5.1 Functional Self Assessments and Area Manager Controls Assurance Statements were examined to ensure that all documents had been completed in full and to identify any issues of significance.

5.2 It was noted that all Area Managers 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.

5.3 However, a large proportion of the future plans for improvement related to tasks which are already ongoing or which have already been included in existing service plans. In addition, a number of actions were included which were purely function based and not significant in terms of the Authority's overall governance and control environment. It was considered that none of the future plans for improvement are such that they would cause any concern regarding the adequacy of the current overall governance and control arrangements. Notwithstanding the above, some of the future plans for improvement are newly identified actions resulting directly from the annual governance review, which have corporate significance, and therefore have been included in the revised Code of Corporate Governance as actions to be addressed.

5.4 The Internal Audit Annual Report was considered by the Group and it was noted that whilst the report indicated that 4 significant recommendations were made the work undertaken during 2008/2009 did not identify any matters material to the overall control environment of the Authority. There is an agreed scheme in place for the audit of key financial and non-financial systems. Findings of audits of these systems this year were analysed with findings from previous years to enable an opinion to be formed on these systems.

One of the requirements of the Accounts and Audit (Amendment) (England) Regulations 2006 is for the Authority to have an independent review of the effectiveness of its system of internal audit once a year (in line with the CIPFA Code or Practice for Internal Audit), and for the findings of this review to be considered as part of the procedure for drafting the AGS. The review for 2008/2009 found that the internal audit arrangements complied with the CIPFA Code.

5.5 The Corporate Risk Profile was considered by the Group and of the 43 risks faced by the Authority, the following should be noted:

- Fourteen are now considered sufficiently significant to warrant close monitoring by the Corporate Risk Management Group, these will be subject to continual analysis and review during 2009/10;

Three risks are considered 'High Priority'.

The three high priority areas have been identified as follows:

1. Failure to effectively and safely deploy and manage operational staff and resources at incidents leading to staff and public being exposed to unnecessary risks.

2. Risk that we do not retain a fully effective local control centre (at West Denton) in the lead up to the transition to the new Regional Control Centre (RCC) resulting in poor quality emergency call handling and a detrimental effect on operations.

3. There is a risk that 'Breathing Apparatus training in 'hot fire' scenarios at the BTC may not be carried out because of the current condition of the hot fire training structures and the continued problems relating to repair and maintenance. Unless resolved this could result in our inability to

train/QA our staff and lost income to the Authority through cancelled training courses from other FRS. There is also a possibility of having to pay to have our staff trained elsewhere (including travel and subsistence) – new risk added Apr 09.

The Risk Manager 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.

5.6 In addition, the Authority's performance management framework was considered with the main issues being:

- Improving performance through a range of improvement activities and evaluation to target specific risks;
- Improved understanding of performance and risk through partnership working to develop realistic targets and strengthen accountability at a local level;
- Further develop the linkages ("golden thread") between key objectives/key themes supported by District Plans and improved information systems;
- Reviewing and improving the Performance Management Framework to deliver the community safety agenda and provide value for money.

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.

5.7 The Audit Commission's Annual Audit and Inspection Letter was considered as this letter provides an overall evaluation of the Authority's progress having regard to the core performance assessment, financial and service performance and a consideration of its strengths and areas for development. The Letter notes the following key headlines:

- There has been significant improvement in most areas of performance at Tyne and Wear Fire and Rescue Authority (the Authority) during 2007/08. Targeting preventive and community safety work at those most at risk has led to a 28 per cent reduction in accidental dwelling fires and a 26 per cent reduction in associated injuries. The Authority still has the second highest rate of accidental dwelling fires in the country, but is beginning to reduce the gap.

- The Authority works effectively with partners and participates in a large number of multi-agency initiatives to tackle deliberate fires and anti-social behaviour. Improved evaluation processes are helping to ensure that resources are directed at the most effective projects and the areas of greatest need.

- The Authority continues to demonstrate a clear commitment to delivering value for money in its use of resources. Our overall score has increased from 3 to 4 this year, with notable practice identified in relation to the quality of financial planning and reporting processes, and the arrangements for producing year-end accounts. We gave unqualified opinions on the value for money conclusion, best value performance plan, and the 2007/08 financial statements, on 30 September 2008.

- This year we have seen a clearer understanding of how costs and service quality compares with others, and a greater willingness to challenge long established working practices. The Authority is relatively high spending, but has clear plans in place to make further efficiency savings, with a low precept increase predicted for next year.

- All emergency services need to understand the diverse needs of local people and ensure that the workforce adequately represents the communities it serves. The Authority has demonstrated a clear commitment to improving the cultural awareness of front line staff, which has led to better relationships with minority communities. It is also working in partnership with others to increase the number of BME and female applicants, although high attrition rates across all categories of applicants reduce the impact of this activity on the employed workforce in practice.

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

5.8 The key highlights below are taken from the findings from external assessments undertaken during 2007/2008:

- The Authority is **Improving Well** and has made significant progress in most areas of performance;
- The Authority contributes to wider community outcomes via effective partnership working and uses this involvement to identify communities who are at risk;
- With regard to Use of Resources the Authority is **Improving Strongly** and demonstrates notable practice in relation to the quality of the financial planning and reporting processes and the arrangements for producing year end accounts;
- The Authority recognises the challenges that remain in particular, setting out the comprehensive benefits that would arise from diversification of the workforce, and has plans in place to address these

5.9 It is considered that the overall findings of the various assessments are positive. The only area of significance is the Authority has made little progress so far in improving its performance in relation to workforce diversity, however there were no issues which are significant in terms of the Authority's overall governance and control environment.

5.10 The Authority commissions a survey of user satisfaction with the latest showing that the public recorded a 73% satisfaction rate with regard to the services provided by the Authority. This survey has been subsumed into a 'Place Survey' undertaken in conjunction with the five Local Authorities of Tyne and Wear in late 2008. The results of the 'Place Survey' are scheduled to be released in June 2009. The Authority also runs an on-going 'After the Incident Survey', the latest results of which recorded a score of 98 for user satisfaction.

5.11 The Authority undertakes a survey of the views of employees in relation to a range of issues on a regular basis. The latest employee survey indicated that:

- The majority of staff are satisfied with their job, their working environment, their working pattern, feel secure in their job and have better personal development opportunities than in 2005;
- Employees felt that the three main priorities for TWFRS should be to listen to its staff, honesty and minimise bureaucracy;
- 76% of staff have regular team meetings where they are given the opportunity to speak and find out what is happening in their department. 42% of staff feel that communications have improved since 2005;
- Over 95% of staff feel that the Authority provides a good service and over 69% feel that the Authority is responding to external changes.

5.12 An information governance audit was conducted during the later part of 2007 which concluded:

- It was pleasing to note that the audit did not reveal any matters that are considered to be high risk;
- The systems and procedures adopted by the Fire Service are generally robust and incorporate effective controls. Information Governance policies and procedures are available to all Service staff via the Intranet and include version control.
- The Service has appropriate support mechanisms in place in relation to the development of information governance.
- The control and governance of information held, particularly with regard to security of data, appears to be well managed to ensure that data can only be accessed by the appropriate members of staff.

5.13 A questionnaire issued to Members and Officers asked whether they felt that statements made in the existing Code of Corporate Governance were being met. All of the respondents were in full agreement that the statements in the Code were being met.

6 UPDATES TO THE CODE OF CORPORATE GOVERNANCE

6.1 It was also considered whether any updates or revisions to the Code of Corporate Governance are required, and agreed that the Code should be revised based upon the new SOLACE/CIPFA framework and guidance, “Delivering Good Governance in Local Government”. An updated Code based upon the new guidance is attached at Appendix A for consideration and approval by Members.

7 ANNUAL GOVERNANCE STATEMENT

7.1 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 consideration and approval by Members.

8 CONCLUSION

8.1 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.

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 A risk assessment has been undertaken to ensure that the risk to the Authority has been minimised as far as practicable. The assessment has considered an appropriate balance between risk and control; the realisation of efficiencies; the most appropriate use of limited resources; and a comprehensive evaluation of the benefits. The risk to the authority has been assessed as low utilising the standard risk matrix based on control measures being in place. The complete risk assessment is available on request from the Chief Fire Officer.

10 FINANCIAL IMPLICATIONS

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

11 EQUALITY AND FAIRNESS IMPLICATIONS

The findings of the Audit Commission in relation to this area are being addressed.

12 HEALTH AND SAFETY IMPLICATIONS

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

13 RECOMMENDATIONS

13.1 The Committee is requested to:

a) Consider and comment upon the revised Code of Corporate Governance;

b) consider and comment upon the Annual Governance Statement;

c) Receive further reports as appropriate.

BACKGROUND PAPERS

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

- CIPFA/SOLACE Guidance - ‘Delivering Good Governance in Local Government’

Tyne and Wear
Fire and Rescue Authority

Local Code of Corporate Governance

Revised June 2009

Local Code of Corporate Governance

INTRODUCTION

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 with associated requirements and the following table sets out how the Authority aims to meet 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:

- Deputy Chief Fire Officer
- Finance Manager
- Human Resources 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 fora and in addition our Strategic Community Safety Plan 2009 – 2012 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
1. Exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcome for citizens and services users	• develop and promote our purpose and vision	Strategic Community Safety Plan District/Station Plans Departmental Level 3 plans Integrated Risk Management Plan
	• review on a regular basis the Authority's vision for the local area and its impact on the Authority's governance arrangements	Annual Corporate Governance Review Audit Commission Reviews Reviews by Other Inspectorates
	• ensure that partnerships are underpinned by a common vision that is understood and agreed by all parties	Partnership Agreements Partnerships Procedure
	• publish an annual report on a timely basis to communicate the Authority's activities, achievements, financial position and performance	Annual Report Annual Statement of Accounts Strategic Community Safety Plan Summary
	• Evaluate and review partnerships	Evaluation Library (intranet)

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 fora and in addition our Strategic Community Safety Plan 2009 – 2012 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
2. Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning	• decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available	Integrated Risk Management Plan 'After the fire' Survey Corporate Consultation Strategy Strategic Community Safety Plan Evaluation of performance against the National Indicator Set
	• introduce a project evaluation toolkit to assess quality of service provision	Project Evaluation Toolkit and Library
	• put in place effective arrangements to identify and deal with failure in service delivery	Operational Assurance Team Standard Operating Procedures Monitoring Officers

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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
3 Ensuring that the authority makes the best use of resources and that tax payers and service users receive excellent value for money	• decide how value for money is to be measured and make sure that it has the information needed to review value for money and performance effectively. The Authority will also measure the environmental impact of policies, plans and decisions	Value for Money Framework Annual Use of Resources Return Use of Resources Independent Audit Quarterly performance reports Annual Report and statement of accounts Efficiency strategy Evaluation Toolkit and Library

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
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	• set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and its approach towards putting this into practice • set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers	Standing Orders and Financial Regulations Standing Orders and Financial Regulations Delegation Scheme Codes of Conduct Job Descriptions Role Maps
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	• determine 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 and ensure that it is monitored and updated when required • make the Chief Fire Officer responsible and accountable to the Authority for all aspects of operational management	Standing Orders and Financial Regulations Delegation Scheme Delegation Scheme Roll Map Job Description Performance Management

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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
	• develop protocols 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	Standing Orders and Financial Regulations Code of Conduct for Members Code of Conduct for Officers Roll Maps Job Descriptions
	• make a senior officer 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	The Finance Officer is the Authority's Section 151 Officer. The Constitution sets out his functions as follows: • Ensuring lawfulness and financial prudence of decision making • Administration of financial affairs • Contributing to corporate management • Providing advice • Giving financial information

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
	• make a different senior officer responsible to the Authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations are complied with	The Deputy Clerk is the Authority's Monitoring Officer. The Constitution sets out functions of Monitoring Officer as follows: • Maintaining the Constitution • Ensuring lawfulness and fairness of decision making • Supporting the Standards Committee • Receiving reports • Conducting investigations • Proper officer for access to information • Advising whether executive decisions are within the budget and policy framework • Providing advice

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
3. Ensuring relationships between the authority, its partners and the public are clear so that each knows what to expect of the other	• develop protocols to ensure effective communication between members and officers in their respective roles • set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process including an effective remuneration panel • ensure that effective mechanisms exist to monitor service delivery	Monitoring Officer Protocol Member and Employee Codes of Conduct Members Allowances Scheme National Joint Council for Local Government Services National Agreement On Pay And Conditions Of Service Human Resources Committee Performance Management systems Integrated Risk Management Plan Station Plans Monitoring Officers

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
	• ensure that 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 • when working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Authority • when working in partnership: - ensure that there is clarity about the legal status of the partnership - ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions	Strategic Community Safety Plan Integrated Risk Management Plan Station Plans Communication Strategy Consultation Strategy Value for Money Framework Budget Framework Partnership Agreements Data Sharing Protocols Partnership Procedure

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
1. Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance	• ensure that its leadership sets a tone for the organisation by creating a climate of openness, support and respect	Members' Code of Conduct Employees' Code of Conduct Performance Management Framework
	• ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the Authority, its partners and the community are defined and communicated through codes of conduct and protocols	Employee Personal Development System Anti Fraud and Corruption Policy Whistle Blowing Policy Protocol on Member / Employee Relations
	• put in place arrangements 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 will put in place appropriate processes to ensure that they continue to operate in practice	Members' Code of Conduct Employees' Code of Conduct Financial Regulations Standing Orders Declarations of Gifts and Interests

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
2. Ensuring that organisational values are put into practice and are effective .	• develop and maintain shared values including leadership values both for the Authority and staff reflecting public expectations, and communicate these with members, staff, the community and partners	Members' Code of Conduct Employees' Code of Conduct Fire and Rescue Service National Values Vision Leadership and Development Programme
	• put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice	Members' Code of Conduct Employees' Code of Conduct Ethical Audit
	• develop and maintain an effective standards committee	Standing Orders sets out role and functions of Governance Committee Committee Management and Information System

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
	• use its shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Authority • in pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively	Members' Code of Conduct Employees' Code of Conduct Integrated Personal Development System Ethic Audit Governance Audit Partnership Agreements Partnership Procedure Data sharing protocols

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
1. Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny	• develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the Authority's performance overall and of any organisation for which it is responsible	A range of scrutiny committees are in place including: Policy and Performance Committee Human Resources Committee Civil Contingencies Committee
	• develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based	Standing Orders and Financial Regulations Committee and Authority Management and Information System
	• put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice	Members' Code of Conduct Employees' Code of Conduct Code of Corporate Governance Whistle blowing Protocols

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
	• develop and maintain an effective audit committee which is independent • put in place effective transparent and accessible arrangements for dealing with complaints	Register of Gifts and Interests Anti-fraud and Corruption Policy Governance Committee Independent Chair Independent Member Development for all Members Compliments, Comments and Complaints Procedure Monitoring Officer role
2. Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs	• ensure that 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	Member Induction, Learning and Development Programme Standing Orders and Financial Regulations Delegation Scheme Results of consultation exercises

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
	• ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately	Role of Finance Officer and Deputy Clerk
3. Ensuring that an effective risk management system is in place	• ensure that 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	Risk Management Policy Statement and Strategy Risk Management Framework Risk Management Learning and Development for Members and Officers Internal Audit and Risk Management Protocol Standing Orders and Financial Regulations External Audit – Use of Resources
	• ensure that arrangements are in place for whistle blowing to which staff and all those contracting with the Authority have access	Whistle blowing policy and procedures Compliments, comments and Complaints Policy and Procedures

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
4. Using their legal powers to the full benefit of the citizens and communities in their area	• actively recognise the limits of lawful activity placed on the Authority by, for example the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities • recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on the Authority by public law • observe all specific legislative requirements placed upon the Authority, 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	Standing Orders and Financial Regulations Monitoring Officer Protocol Audit and Inspection Letter Finance Officer role Deputy Clerk role

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
1. Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles	• provide induction and training programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis • 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	Member and Officer Induction Programme Integrated Personal Development System Member Learning and Development Programme Workforce Development Plan Investors in People accreditation Delegation Scheme Roles and responsibilities defined Finance Officer and Deputy Clerk advisors to the Authority
2. Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group	• assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively	Member and Officer Induction Programme Integrated Personal Development System Member Learning and Development Programme Workforce Development Plan

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
	• develop skills on a continuing basis to improve performance including the ability to scrutinise and challenge and to recognise when outside expert advice is needed ensure that effective arrangements are in place for reviewing the performance of the Authority as a whole and of individual members and agreeing an action plan which might for example aim to address any training or development needs	Investors in People accreditation Member Learning and Development Programme Leadership Programme

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
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	• make clear its role and responsibilities to Members, staff and the community	Strategic Community Safety Plan Integrated Risk Management Plan
	• consider those institutional stakeholders to whom they are accountable and assess the effectiveness of the relationships and any changes required	Local Strategic Partnerships Government Office for the North East assessments of LSP Local Area Agreements Regular User Surveys Consultation Plan
	• produce an annual report on scrutiny function activity	Annual Performance Report Annual Governance Report Freedom of Information Publication Scheme

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
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	• ensure that 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	Communications Strategy Focus Groups 'After the incident' Survey Other user surveys
	• hold meetings in public unless there are good reasons for confidentiality	Members of the public may attend all meetings subject to the exceptions set out in the Standing Orders
	• ensure arrangements are in place to enable the Authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands	Consultation Strategy Focus Groups Community Safety Advocates 'After the fire' Survey User Surveys Community engagement Plan Freedom of Information Publication Scheme
	• establish a clear policy on the types of issues it will meaningfully consult on or engage with the public and service users including a feedback mechanism for those consultees to demonstrate what has changed as a result	Consultation Policy User Surveys Community Engagement Plan Freedom of Information Publication Scheme

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
	• on an annual basis, publish a performance plan 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 • ensure that it is open and accessible to the community, service users and its staff. It will also ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so • evaluate the projects we deliver by asking local people and stakeholders	Annual report Annual performance report Annual Statement of Accounts Strategic Community Safety Plan Integrated Risk Management Plan Standing Orders and Financial Regulations Community Fire Stations Partnership Agreements Partnership Procedure Data sharing Agreements and protocols Community engagement plan Performance Plan Freedom of Information Publication Scheme Evaluation Toolkit and Library
3. Making best use of human resources by taking an active and planned approach to meet responsibility to staff	• develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making • Clearly publish results of consultation and evaluation involving staff	Joint consultative Committee Investors in People Representative Body Protocol Evaluation Library

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 Strategy
A strategy 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. The information will be made available progressively between now and 2005.

Financial Regulations
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.

Race, Gender and Disability Equality Schemes
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
A document setting out in detail for the Authority the plans, policies, resource allocations and performance targets for the next five years, including detailed plans for the forthcoming year, both corporately and on a departmental basis.

Integrated Risk Management Plan
A document identifying the major strategic risks to the Authority.

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 2008/2009

1 SCOPE OF RESPONSIBILITY

1.1 The 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. The Code requires updating to ensure it remains consistent with the principles of the SOLACE/CIPFA Framework, Delivering Good Governance in Local Government. The updated Code has been drafted alongside the annual governance review required for the production of this Statement and will be submitted to the Authority and its Governance Committee in June 2009 for approval and adoption. The updated Code will then be made available on the Authority's website (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 SOLACE/CIPFA Framework and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

2 THE PURPOSE OF THE GOVERNANCE FRAMEWORK

2.1 The governance framework primarily includes systems and processes by which the Authority directs and controls its activities and engages with the community. Further 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 31st March 2009 and up to the date of approval of the Annual Report 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 functional/departmental/district/station 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, CPA framework 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 Authority's Integrated Risk Management Plan (IRMP) 2009/2012 is the Authority's own overarching Plan for recognising the risks within the Authority boundaries that need to be addressed, and providing detail on how those risks are being mitigated.

- Communication of objectives to staff and stakeholders takes place through the following means:

  - Wide distribution of the Strategic Community Safety Plan, as well as a summary version, including on the Authority's website and intranet;

  - Wide distribution of the Authority's Integrated Risk Management Plan;

  - The issue of an Annual Report 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 (IIP) processes;

  - Advertisements in local and Council newspapers.

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

During 2008/2009, the Strategic Community Safety Plan 2009-2012 and the Integrated Risk Management Plan and all priorities were reviewed to provide a refined, longer-term focus for the Authority.

- Through reviews by the Audit Commission and other 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.

- There is regular reporting of performance against key targets and priorities to the Authority's Strategic Management Team, the Governance Committee and the Performance and Review Committee.

- Services are delivered by suitably qualified / trained / experienced staff and all posts have detailed job profiles / descriptions and person specifications.

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.

- A system of scrutiny is in place which allows the Governance Committee to:

  - review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Authority's functions;
  - make reports and/or recommendations to the full Authority and/or the Strategic Management Team in connection with the discharge of any functions;
  - consider any matter affecting the Authority; and
  - exercise the right to call-in, for reconsideration, decisions made but not yet implemented by the Authority and/or Strategic Management Team.

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 Financial Resources of 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 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;
  - Risk Management Manual;
  - Nominated Risk Manager;
  - Corporate and Risk Management Groups;
  - Risk Management Training Programme;
  - Partnerships Risk Register;
  - Risk Management Annual Report;
  - Member Risk Champion;

- 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.

- 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 anticorruption 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 Annual Governance Statement, properly reflect the risk environment and any actions required to improve it;

- to 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 and Inspection 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, an Elected 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, although an action point for 2009/2010 is to provide 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 Policy and 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 Strategy aims:

  - To provide a comprehensive Member Development programme;
  - 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 that identifies that the need to enable and support the organisation in managing the performance of all of its employees through effective policies, procedures and working practices 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.

- The Authority is also an active member of the Regional People Management Group which identifies and delivers regional learning and development whilst also developing regional framework policies for its constituent members.

- The Authority is a member of the Regional Equality and Diversity Steering Group which provides strategic direction and advice in terms of equality and diversity including improving community engagement for fire and rescue authorities.

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 consulting with 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. 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 partnerships is closely measured using a standard framework.

- A review of all partnerships is presented to the Strategic Management Team on an annual basis.

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 approval of the Annual Governance Statement.

- 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 which allows the Governance Committee and the Performance and Review Committee to:

  - review decisions made or actions taken in connection with the discharge of any of the Authority's functions;
  - make reports and recommendations to the full Authority or the Strategic Management Team in connection with the discharge of any functions;
  - consider any matter affecting the delivery of service; and
  - exercise the right to call-in, for reconsideration, decisions made but not yet implemented.

- The role of the Authority's Governance Committee also includes the following:

  - promoting and maintaining high standards of conduct by Members, co-opted members and Officers;
  - monitoring the operation of the Members' Code of Conduct;
  - monitoring the operation of the Authority's Anti-Fraud and Corruption Policy so far as it relates to the actions of Members of the Authority;
  - considering reports and complaints relating to the conduct of Members of the Authority;
  - supporting the Monitoring Officer in his role.

- All Area Managers have participated in the annual governance review through carrying out self-assessments relating to their areas of responsibility and have provided Controls Assurance Statements relating to their area of responsibility, having considered the detailed self-assessments.

- Internal audit planning processes include consultation with the Principle Officers, reviews of the Strategic Community Safety Plan, Integrated Risk Management Plan and the Corporate Risk Profile. Audit work is risk based audit work and includes risks in relation to the achievement of service objectives, and Internal Audit Services carries out regular systematic auditing of key financial and non-financial systems. The Audit Commission have conducted a review of the effectiveness of the internal audit arrangements and concluded that there are robust arrangements in place to comply with the standards of the 2006 CIPFA Code of Practice for Internal Audit.

- Under the Annual Audit Inspection, the most recent assessment states that:

There has been significant improvement in most areas of performance at Tyne and Wear Fire and Rescue Authority (the Authority) during 2007/08. Targeting preventive and community safety work at those most at risk has led to a 28 per cent reduction in accidental dwelling fires and a 26 per cent reduction in associated injuries. The Authority still has the second highest rate of accidental dwelling fires in the country, but is beginning to reduce the gap.

The Authority works effectively with partners and participates in a large number of multi-agency initiatives to tackle deliberate fires and anti-social behaviour. Improved evaluation processes are helping to ensure that resources are directed at the most effective projects and the areas of greatest need.

The Authority continues to demonstrate a clear commitment to delivering value for money in its use of resources. Our overall score has increased from 3 to 4 this year, with notable practice identified in relation to the quality of financial planning and reporting processes, and the arrangements for producing year-end accounts. We gave unqualified opinions on the value for money conclusion, best value performance plan, and the 2007/08 financial statements, on 30 September 2008.

This year we have seen a clearer understanding of how costs and service quality compares with others, and a greater willingness to challenge long established working practices. The Authority is relatively high spending, but has clear plans in place to make further efficiency savings, with a low precept increase predicted for next year.

All emergency services need to understand the diverse needs of local people and ensure that the workforce adequately represents the communities it serves. The Authority has demonstrated a clear commitment to improving the cultural awareness of front line staff, which has led to better relationships with minority communities. It is also working in partnership with others to increase the number of BME and female applicants, although high attrition rates across all categories of applicants reduce the impact of this activity on the employed workforce in practice.

- Findings of external bodies / audits are collated / 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	Iain Bathgate Chief Fire Officer	Keith Beardmore Finance Officer

29th June 2009

Appendix C

Tyne and Wear Fire and Rescue Authority

2008/2009 Annual Review of Corporate Governance and Internal Control Arrangements

Action Plan for 2009/2010

Ref.	Corporate Improvement Objectives	Responsible Officer
1	• The Performance and Statistics team are to devolve the validation of statistics to station/departmental level and to the personnel actually attended an emergency incident. It is envisaged this will reduce the time taken to validate incident data and make accurate information available to inform decisions on a timelier basis. • The risk information library is to be fully digitalized to allow succinct access by operational personnel. Risk management sections will be introduced into district plans and a risk register will be developed to inform Local Strategic Partnerships. The Capital Appraisal Form will also be reviewed to better recognise risk. • A full publication scheme has been developed and will be evidenced on the Authority Internet and Intranet which will allow members of the public access to all of the documents produced by the Authority.	AM Corporate Development
2	• The Procurement Department will develop a Procurement Manual to compliment the standing orders and financial regulations.	Procurement Manager

Appendix C

Tyne and Wear Fire and Rescue Authority

2008/2009 Annual Review of Corporate Governance and Internal Control Arrangements

Action Plan for 2009/2010

Ref.	Corporate Improvement Objectives	Responsible Officer
3	The Authority should give consideration to developing a Whistleblowing Policy for the benefit of members of the public which aims to: • enable members of the public to raise concerns about suspected malpractice; • encourage and enable members of the community to communicate serious concerns rather than overlooking a problem; • encourage members of the public to feel confident in raising serious concerns; • reassure members of the public that they will be protected from victimisation and their concerns will be taken seriously; • provide avenues for members of the public to raise concerns and receive appropriate feedback on any action taken; and • ensure that members of the public get an appropriate response to the concerns they have raised and show how they may take the matter further if they are dissatisfied with the response.	Human Resources Manager and Corporate Communications Manager

Appendix C

Tyne and Wear Fire and Rescue Authority

2008/2009 Annual Review of Corporate Governance and Internal Control Arrangements

Action Plan for 2009/2010

Ref.	Corporate Improvement Objectives	Responsible Officer
4	• There will be further development of the Devolved budget pilot, the direction of which is dependant on the outcome of / findings during the pilot, with the ultimate goal of full Cost Centre Accounting and Budget Management.	Finance Manager

Tyne and Wear Fire and Rescue Authority

2007/2008 Annual Review of Corporate Governance and Internal Control Arrangements

Action Plan for 2008/2009

UPDATE

Ref.	Corporate Improvement Objectives	Status
1	• The framework and methodology for the annual review should be revised and formally approved by the Authority, including being updated in respect of the requirement to produce an Annual Governance Statement (rather than a SIC). • Membership of the Corporate Governance Steering Group needs to be determined and clearly stated in all documentation	Complete Complete
2	Records of the Corporate Governance Steering Group, e.g. notes of discussions, issues and points for action should be maintained to evidence transparency of the process and record points for action.	Complete

Tyne and Wear Fire and Rescue Authority

2007/2008 Annual Review of Corporate Governance and Internal Control Arrangements

Action Plan for 2008/2009

UPDATE

Ref.	Corporate Improvement Objectives	Status
3	The Authority should give consideration to developing a Whistleblowing Policy for the benefit of members of the public which aims to: • enable members of the public to raise concerns about suspected malpractice; • encourage and enable members of the community to communicate serious concerns rather than overlooking a problem; • encourage members of the public to feel confident in raising serious concerns; • reassure members of the public that they will be protected from victimisation and their concerns will be taken seriously; • provide avenues for members of the public to raise concerns and receive appropriate feedback on any action taken; and • ensure that members of the public get an appropriate response to the concerns they have raised and show how they may take the matter further if they are dissatisfied with the response.	Ongoing to be completed during 2009/10

Tyne and Wear Fire and Rescue Authority

2007/2008 Annual Review of Corporate Governance and Internal Control Arrangements

Action Plan for 2008/2009

UPDATE

Ref.	Corporate Improvement Objectives	Status
4	Employees should be reminded of all of the various circumstances, as detailed in the Code of Conduct, which may give rise to a conflict of interests and to consider if a declaration should be made.	Complete
5	A stock of Declaration of Interests forms should be held ready for use with the Register of Interests, Gifts and Hospitality, for employees.	Complete