Tyne and Wear Fire and Rescue Authority

TYNE AND WEAR FIRE AND RESCUE AUTHORITY **Item No 7**

GOVERNANCE, RISK AND AUDIT SCRUTINY COMMITTEE
13 FEBRUARY 2026

SUBJECT: ANNUAL GOVERNANCE STATEMENT 2025/2026

JOINT REPORT OF THE CHIEF FIRE OFFICER/CHIEF EXECUTIVE (THE CLERK TO THE AUTHORITY) AND THE DIRECTOR OF FINANCE, ESTATES AND FACILITIES.

1 INTRODUCTION

1.1 The purpose of this report is to present the Annual Governance Statement (AGS) 2025/2026 and Code of Corporate Governance 2026 to the Governance Committee for consideration prior to submission to the Fire Authority for approval.

1.2 The AGS is a statutory document that sets out the processes and procedures the Tyne and Wear Fire and Rescue Authority (the Authority) has in place to ensure it discharges its functions effectively. The draft statement has been prepared following a review of the Authority's governance arrangements and includes an action plan to address identified overarching governance issues.

1.3 The AGS is an important communication tool, explaining to residents, service users, taxpayers and other stakeholders how the Authority's governance arrangements operate and how risks that may affect the delivery of outcomes and priorities are managed.

1.4 The AGS must be approved before the Authority approves the Statement of Accounts and prepared in accordance with proper practices relating to the accounts. Although both documents must be published simultaneously, approval of the AGS does not need to be delayed pending completion of the Statement of Accounts.

2 BACKGROUND

2.1 The Authority is responsible for ensuring that its business is conducted lawfully and to proper standards and that public funds are safeguarded, properly accounted for and used economically, efficiently and effectively. To meet these responsibilities, the Authority must maintain an effective governance framework that supports transparent and informed decision-making.

2.2 The Accounts and Audit (England) Regulations 2015 require the Authority to undertake an annual review of the effectiveness of its system of internal control and to publish an AGS alongside its Statement of Accounts. In compliance with these requirements, the annual governance review has been

completed and the AGS 2025/2026 (Appendix A) prepared for publication following approval by the Fire Authority.

2.3 A key component of the governance framework is the Code of Corporate Governance, which aligns with the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Delivering Good Governance in Local Government Framework (2016). The Code (Appendix B) has been updated for 2026 following the annual review. This framework supports the Authority in applying proportionate, high-quality governance standards and demonstrating compliance with the principles of good governance.

3 ANNUAL GOVERNANCE REVIEW AND STATEMENT

3.1 The AGS provides assurance that effective governance arrangements are in place and identifies areas requiring improvement. It has been developed following a review of governance arrangements by the Executive Leadership Team, including statutory officers, and has been considered by the Internal Governance Board. The Head of Internal Audit's annual opinion, findings from internal audit work, and external review outcomes - including those from the external auditor and His Majesty's Inspectorate of Constabulary and Fire & Rescue Services have informed the assessment.

3.2 The AGS includes an action plan to address the governance issues identified. One improvement action is scheduled for completion during 2026/2027.

4 CONCLUSION

4.1 The AGS acknowledges the Authority's responsibility for maintaining a sound system of governance, including internal control. It references the Code of Corporate Governance, evaluates the effectiveness of key elements of the governance framework, and outlines the respective roles of the Authority, statutory officers, the Governance Committee, internal audit and others in its development and maintenance.

4.2 Based on the evidence reviewed, the governance framework has been effective and maintained throughout the year ending 31 March 2026, and up to the approval of the 2025/2026 Statement of Accounts.

4.3 The annual review provides assurance that appropriate governance arrangements are in place. Implementation of the improvement action during 2026/2027 will support further enhancement of these arrangements.

5 RISK MANAGEMENT

5.1 The absence of a clear and effective governance framework presents inherent risks. The annual review of the system of internal control supports the identification and mitigation of control weaknesses and provides a transparent and structured method for reporting on the effectiveness of governance arrangements.

6 FINANCIAL IMPLICATIONS

6.1 There are no direct financial implications arising from this report. Where financial resources are required to implement improvement actions, these will be sought separately or incorporated into the budget-setting process.

7 EQUALITY AND FAIRNESS IMPLICATIONS

7.1 The AGS reflects the CIPFA/SOLACE framework which incorporates principles including integrity, the rule of law, openness, stakeholder engagement, and defining outcomes in terms of social and public benefit.

8 HEALTH AND SAFETY IMPLICATIONS

8.1 There are no health and safety implications arising from this report.

9 RECOMMENDATIONS

9.1 The Committee is recommended to:

a) Note and comment on the AGS 2025/2026.
b) Note the revised Code of Corporate Governance 2026.

BACKGROUND PAPERS

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

None