

TYNE AND WEAR FIRE AND RESCUE AUTHORITY
ANNUAL GOVERNANCE STATEMENT 2022/23



1 Scope of responsibility

- 1.1 Tyne and Wear Fire and Rescue Authority (the Authority) is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It is also responsible for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Authority has a duty under the Local Government Act [1999] to make arrangements to enable continuous improvement in the way in which its functions are exercised.
- 1.2 In discharging these responsibilities, the Authority must put in place proper arrangements for the governance of its affairs and effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3 A key component of the Authority's governance framework is its local Code of Corporate Governance, which is reviewed annually and developed in accordance with the Chartered Institute of Public Finance and Accountancy / Society of Local Authority Chief Executives (CIPFA / SOLACE) 2016 *Delivering Good Governance in Local Government Framework*.
- 1.4 This statement sets out how the Authority has complied with the Accounts and Audit (England) Regulations 2015, regulation 6(1) (a) and (b); which requires the Authority to prepare and publish an Annual Governance Statement.

2 The purpose of the governance framework

- 2.1 The Authority's governance framework comprises of systems, processes, culture and values by which it is directed and controlled and its activities through which it is accountable to, engages with and leads the community. This framework enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2 The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. 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 objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 This statement describes the key elements of the Authority's governance framework, which brings together legislative requirements, governance principles and management processes.

- 2.4 The Authority's governance framework has continued to be in place for the year ending 31 March 2023 and up to the date of approval of this statement.

3 Applying the principles of good governance at Tyne and Wear Fire and Rescue Authority

- 3.1 The Authority's local Code of Corporate Governance brings together in one document all the governance and accountability arrangements it has in place. This Code was updated and submitted to the Authority for their approval in July 2022. In preparing this Statement, the CIPFA/SOLACE framework is used as a benchmark by which to measure against.
- 3.2 The narrative below includes key examples of how the Authority has adhered to its governance commitments set out in the core principles of the Code. The Authority has a broad range of strategies and policies in place, and therefore this is not intended to be an exhaustive list.
- 3.3 **Principle A: Behaving with integrity, demonstrating a strong commitment to ethical values, and respecting the rule of law.**

The Authority's constitution acts as a framework to support decision-making and ensure all legal, financial and statutory requirements are met and are supported by standing orders, financial regulations and a scheme of delegation.

Under the supervision of the Monitoring Officer, the Authority adheres to the legislative requirements and integrates the key principles of good administrative law – rationality, legality and natural justice in their procedures and decision-making processes. The Authority is transparent about how decisions are made and recorded and ensures appropriate legal, financial and other professional advice is considered as part of the decision-making process. Value for money is measured and the results considered prior to making decisions.

The leadership sets a tone for creating a climate of openness and respect and fosters a culture based on shared values, ethical principles and good conduct. The Authority operates two codes of conduct, one for Members, and a new Code of Ethics (introduced in October 2022) for staff. These codes define the standards of behaviour expected by Members and staff, work between Members and Officers, the Authority, the fire service, its partners and the community. Standards of behaviour are defined and communicated through these Codes, protocols and other policies and procedures. The Code of Conduct for Members is monitored by the Monitoring Officer and overseen by the Governance Committee. The Code of Conduct for staff is monitored by the Human Resource Department. Any allegations of wrongdoing are thoroughly investigated in accordance with the relevant disciplinary policies and procedures.

The Authority has arrangements to maintain registers of Members' personal and business interests and a register of gifts and hospitality. Records are held by the Monitoring Officer on behalf of Members. The Human Resources department records these details for staff on behalf of the Chief Fire Officer.

The fire service's recruitment policy, induction and training processes incorporate personal behaviours with ethical values. Core values are embedded and the People Board considers matters relating to equality, diversity and inclusion issues. The annual equality data and gender pay gap report was presented to the HR Committee on 3 October 2022.

Procurement and financial regulations are clear and used to protect processes that could be influenced by unethical behaviour. A full procurement process is adhered to which ensures these ethical standards are upheld.

An anti-fraud and corruption policy manages the risk of fraud and corruption and takes preventative steps and outlines the arrangements for confidential and anonymous reporting / whistleblowing (via Safecall), promotes detection and provides a clear route for investigation and prosecution, where fraudulent and / or corrupt activities or behaviour have been identified. Whistleblowing arrangements are being used, and the Authority responds appropriately. These arrangements have assisted with the maintenance of a strong regime of internal control.

A new, standalone Whistle Blowing Policy, and a Whistle Blowing Procedure, were developed in 2022/23, for implementation in May 2023.

When working in partnership Members and staff are clear about their roles and responsibilities, both individually and collectively, in relation to the partnership and to the Authority or the fire service. There is clarity about the legal status of the partnership and representatives or organisations understand and make clear to partners the extent of their authority to bind their organisation to partner decisions in an ethical way.

3.4 Principle B: Ensuring openness and comprehensive stakeholder engagement.

Authority and committee meetings are open for the public to attend. The Authority's Annual General Meeting took place on 27 June 2022.

The Authority ensures that all major decisions are captured, documented and published on Sunderland City Council's website (the Authority's secretariat). Community Risk Management Planning (CRMP) decisions and significant decisions are also reported on the Tyne and Wear Fire and Rescue Service (TWFRS) website.

The Authority publishes data in accordance with the Local Government Transparency Code 2015 and has adopted the Information Commissioner Office model Publication Scheme, which ensure that up-to-date information relating to the structure, activities, finances, plans, policies, performance and governance of the Authority and the fire service is published, increasing democratic accountability.

The Reserves Policy is published providing transparency to stakeholders about the purpose and level of the reserves held by the Authority. In addition, the audited Statement of Accounts, Annual Governance Statement, Narrative Statement and external auditor's reports are published annually on the TWFRS website. A commitment to openness is also shown through the distribution of strategic documents including the TWFRS Strategy 2025 and key performance information.

A variety of methods are used to engage with the public including directed communication using social media channels. This includes promoting awareness campaigns about fire, water and road safety and anti-social behaviour reduction.

Community safety policies and procedures outline the Authority's approach to engaging with the community, in particular minority and vulnerable sectors of society. The fire service operates a safeguarding policy and procedure to refer vulnerable people to partner agencies where additional support is required.

Staff frequently conduct engagement with householders and businesses through a range of prevention and protection activities including Safe and Well visits and fire safety audits. Engagement with young people is conducted via the fire service's interactive learning centre Safetyworks!, the Princes Trust Programme, Phoenix Programme and the Juvenile Firesetters Education Programme (JFEP), boxing hub, Fire Cadets and educational visits to schools.

Public consultation and engagement arrangements are in place to invite the views of stakeholders prior to developing and implementing key changes. During 2022/23, the Authority carried out informal consultation to support the development of the new Community Risk Management Plan 2024-27. The Authority carries out a statutory business rate and council tax consultation each year.

Staff engagement is carried out by a range of methods, including Executive Leadership Team listening events, all staff engagement sessions, and an 'Ask the CFO' email address. Staff are encouraged to contribute to feedback via team and department meetings, and through the line management structure.

The fire service proactively engages with representative bodies, which include the Fire Brigades Union, GMB, and Unison. This relationship is managed through the Joint Consultative Forum, which considers issues associated with staff relations and policy development. This forum complements the daily arrangements that support effective industrial relations management.

The fire service has a compliments and complaints policy and procedure in place and is able to respond effectively to any compliment or complaint in timely manner. This process is managed and monitored internally and reported quarterly to the Corporate Governance Board, annually to the Executive Leadership Team and to the Governance Committee.

The Authority recognises the role it plays in supporting partnership working across Tyne and Wear and the contribution of partners in assisting it to deliver its own objectives. The fire service's vision, strategy and strategic plans (such as the CRMP), and priorities are developed through robust mechanisms, and in consultation with staff, the community and other key stakeholders.

The Authority has formal partnership arrangements in place with Sunderland City Council to provide specialist support services. Other arrangements with emergency service partners demonstrate clear and appropriate governance accountabilities. The fire service operates a partnership register, which provides a framework for staff involved in or considering new partnership arrangements and assists in reviewing existing arrangements.

3.5 Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.

The Authority's purpose and intended outcomes for service users is communicated, both within the fire service and to external stakeholders. The TWFRS Strategy 2025 explains how the fire service intends to deliver high quality services that meets the needs of its communities now and in the future. The strategy presents a clear vision, strategic goals, and priorities for a five-year period.

The CRMP 2022-24 drives continuous improvement and innovation in the fire service, ensuring that services are planned, designed and delivered in a way that balances efficiency and community risk. The CRMP process is used to improve community outcomes, strengthen prevention, reduce costs, reduce incidents and manage the risk in our communities. The CRMP is based on the analysis of extensive data and information, local intelligence, and a comprehensive understanding of local, regional and national risks.

The Community Risk Profile 2020-2023 (CRP) provides a comprehensive and forward-looking assessment of the risks in the communities of Tyne and Wear. The CRMP 2022-24 contains actions, which ensure that risks, including those identified in the CRP, are appropriately addressed and resources are targeted at these risks.

The Medium Term Financial Strategy (MTFS) 2021/2022 to 2024/2025, and the annual budget process, ensures that financial resources are directed to the Authority's priorities. The MTFS and the Efficiency Plan are key to delivering value for money.

Budget monitoring remains robust at both strategic and service levels via the production of regular financial monitoring reports for both Capital and Revenue budgets. These reports, as well as being scrutinised by budget managers, are reported to the Executive Leadership Team and quarterly to the full Fire Authority.

Annual department plans are in place and are supported by risk / business continuity planning. All departments prepare and monitor a suite of key performance indicators (KPIs) to review service standards and promote continuous improvement of corporate services.

Equality impact and risk assessments are carried out to ensure that any changes to procedures do not affect any stakeholders adversely and service delivery outcomes are not affected. Data Protection Impact Assessments (DPIA) are also beginning to be utilised.

The Authority's governance arrangements also extend to cover the wholly owned trading subsidiary "TWFRS Ltd".

3.6 Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

The MTFS includes actions to ensure the financial sustainability of the Authority and the budget planning processes ensure budgets are prepared in accordance with objectives, strategies and the MTFS. This involves input from both the fire service

and Authority Members and shows how the resources will be deployed over the next few years to deliver agreed outcomes and agreed priorities.

Collaboration with partners and agencies is an important aspect of the Authority's work including prevention and protection, responding to incidents and use of resources. The fire service has a successful record of blue light collaboration, including co-location at a number of sites, joint training and exercising and improved operational and preventative activities.

The monitoring of staff availability, incidents, the workforce and budgets ensures that issues are identified and appropriate interventions agreed. The risk management policy sets out the process to identify and control exposure to uncertainty, which may impact on the achievement of the Authority's objectives or activities. A Corporate Risk Register is in place and is reviewed regularly to ensure that risks are appropriately managed.

National Fire Standards, National Occupational Standards and National Operational Guidance are overseen by the appropriate business areas, which ensure they are integrated into the fire service.

The fire service operates a performance management framework. Performance reports are produced and reported to Executive Leadership Team, the Policy and Performance Committee and full Fire Authority quarterly, for scrutiny and transparency.

Arrangements are in place for compliance with health and safety requirements. Health and safety policies and procedures detail roles and responsibilities and accident and investigation reporting internally and to the Health and Safety Executive under the Reporting of Injuries Diseases and Dangerous Occurrences regulations 2013 (RIDDOR). The fire service has participated in the Royal Society for the Prevention of Accidents (RoSPA) Achievement Awards, consistently achieving the gold award, which demonstrates high health and safety standards

3.7 Principle E: Developing the Service's capacity, including the capability of its leadership and the individuals within it.

The Authority ensures the necessary roles and responsibilities for effective governance are identified and allocated so there is accountability for decisions made. This is done through the Constitution and the Scheme of Delegation, which outlines the roles of Members and officers, which includes statutory roles of Chief Fire Officer, Finance Director and Monitoring Officer.

The fire service manages the performance of its staff through effective policies, procedures and working practices. To ensure the fire service meets the needs of the community staff have the skills, knowledge and experience they need to perform well. Robust recruitment and selection processes and detailed job profiles support this.

Induction processes are in place for Members and staff. These include an introduction to the fire service, values and codes of conduct and the requirements of the role. The Authority operates a Members learning and development programme

to improve Member knowledge, skills and abilities in their individual or collective roles in meeting the Authority's strategic objectives.

The health and wellbeing of the workforce is achieved through a range of measures including HR policies and guidance documents, flexible working, a fitness advisor and the work of the occupational health unit who provide counselling, physiotherapy, trauma support and wellbeing at work initiatives. The fire service were awarded the 'Better Health at Work' gold award.

Appropriate training is conducted for operational and non-operational staff; ensuring staff acquire, maintain and develop appropriate technical and professional skills required for their roles and to support the achievements of the Authority's strategic objectives. Staff are required to perform their roles safely, confidently and effectively in accordance with Service training policy and in alignment with identified role maps, National Operational Guidance, National Occupational Standards and competency frameworks for operational staff.

A team of officers regularly attend incidents, training and exercises to carry out a performance and review role, observing aspects of operational performance and feeding back improvement actions. Information gathered to verify and measure compliance with standard operating procedures and incident management systems is recorded.

All staff participate in the annual Performance Development Review (PDR) process where they and their manager discuss and set expectations about personal objectives and how they align to corporate goals. PDRs support staff to understand how they are performing and what opportunities are available for training and career progression.

The fire service achieved the Investors in People Gold Award status, which benchmarks the effectiveness of its leadership and management practices.

3.8 Principle F: Managing risks and performance through robust internal control and strong public financial management.

The Authority's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Public Service Organisations. The Finance Director is the designated Chief 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.

Financial management supports the delivery of services and transformational change as well as securing good stewardship. There are comprehensive budgeting systems in place and a robust system of budgetary control, including quarterly and annual financial reports, which indicate financial performance against forecasts. The Authority's Statements of Accounts are subject to scrutiny and the External Auditor delivers an opinion annually on whether the Authority is providing value for money. There is regular reporting of non-financial performance against targets and priorities to the Executive Leadership Team and to Members via the Fire Authority and Committees.

Under the Civil Contingencies Act (2004) (Part 1. Para 2(1) (C)) and The Fire and Rescue Services Act [2004] there is a duty for all Category 1 Responders to prepare plans to ensure, so far as reasonably practicable, that the fire service can perform its core functions in an emergency.

The fire service use a robust and transparent five stage framework to identify, assess, treat, report and review risk that utilises the right tools, methods and processes to manage risk in a transparent way. This framework conforms with the risk management legislation outlined within the Civil Contingencies Act [2004] and its supporting guidance, namely, The Principles of Effective Response and Recovery in addition to aligning with the ISO31000 international standard of risk management.

The Authority aligns with ISO22301 for Business Continuity and arrangements are in place to ensure that critical services can continue in the event of disruption and are subject to regular review, development and testing. Business continuity plans were in operation during the Covid pandemic and activities have been co-ordinated with partners through the LRF to support the multi-agency response.

Management arrangements ensure that recommendations for improvement made by the Internal Auditor and the Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), as well as self-identified improvements are monitored and progress regularly reported on.

Policies for anti-fraud and corruption and whistleblowing are in place, which confirms the Authority's commitment to operating in a fair and transparent manner. The Authority participates in the National Fraud Initiative. A new, standalone Whistle Blowing Policy and Procedure has been developed in 2022/23 and will be implemented in May 2023.

Policies are in place to manage the handling of data including adherence to data protection legislation, Freedom of Information requests, data quality, storage and retention and information security. Where appropriate information sharing protocols have been developed and agreed with partners.

Principle G: Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

The Governance Committee operates in accordance with guidance provided by CIPFA, oversees, and reviews the adequacy and effectiveness of the governance arrangements and internal control environment.

Reports and minutes of the Authority and its committees are publicly available on Sunderland City Councils website (the Authority's secretariat). Reports follow a structured format, which ensures that key information is presented in a clear and consistent manner to aid decision-making.

The Authority publishes information relating to salaries, business interests and performance data. Members and officers declare relevant interests in accordance with the Code of Practice on Local Authority Accounting in the UK. These declarations enable the Authority to identify and report any related party transactions The Annual Pay Policy Statement is approved and published in accordance with the Localism Act 2011. Members' salaries are paid in accordance

with the Independent Remuneration Panel decisions and reported on the TWFRS website.

The Procurement Services Manager provides advice and clear guidance on the procuring of goods and services. There is a robust system of scrutiny, which includes competitive and formal procurement with advertising of opportunities in line with the Public Contracts regulations (PCR2015). Procurements are awarded on the Most Economically Advantageous Tender (MEAT) principle. Reports on significant (£500,000 and above) procurements are prepared for approval by Fire Authority.

The Annual Statement of Accounts and Annual Governance Statement are subject to scrutiny and approval in accordance with the Authority's Constitution. The Annual Statement of Accounts provides clear information on income and expenditure and demonstrates the stewardship of public money for the year. The statutory deadline for submission of accounts for audit is 31 May, however this is currently being challenged and could move to June / July. The Annual Governance Statement provides transparency on the governance arrangements and the planned improvements for the coming year. The External Auditor provides an opinion on the Statement of Accounts, which is published on the Authority's website. The Authority acts on recommendations and, where necessary, takes corrective action.

The Authority maintains an Internal Audit service, provided by Sunderland City Council. An independent periodic 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. The work of Internal Audit provides assurance that key risks are being managed. The Authority acts on recommendations and where necessary, takes improvement action.

Processes are in place to ensure that recommendations from HMICFRS and regulatory bodies are actioned.

4 Review of effectiveness

4.1 The Authority has responsibility for conducting a review of the effectiveness of its governance framework including the system of internal control, at least annually and the Deputy Chief Fire Officer leads the review of the effectiveness.

4.2 The effectiveness of the governance framework draws on evidence and assurances from the work of the Authority and its committees, statutory officers, the Executive Leadership Team, the work of Internal and External Audit and other review agencies and HMICFRS. The process applied in maintaining and reviewing the effectiveness of the governance framework is set out below:

4.3 The Authority

4.3.1 The Authority's Constitution sets out how it operates, how decisions are made and the procedures, which are followed to ensure these, are efficient, transparent, and accountable. Member training sessions are organised throughout the year to discuss matters in more detail and in an informal environment

4.3.2 The Annual General Meeting of the Authority takes place in June of each year. The format and structure of its democratic decision process is re-affirmed, and approval

is given to the powers and make-up of the Governance Committee, Policy and Performance Committee and Human Resources Committee. The terms of reference and responsibilities of these committees form part of the Authority's Standing Orders.

- 4.3.3 In addition to the above committees, there are a further three committees and a sub-committee, which meet on an ad-hoc basis to discuss specific matters as and when they arise. They are the Appointments Committee, Disciplinary Appeals Committee, Personnel Appeals Sub-Committee and an Emergency Committee.
- 4.3.4 The Authority and its committee structure monitor the effectiveness of the governance framework through the consideration of regular performance, financial and strategic risk management reports. The Authority and its committees receive regular feedback from senior officers on the delivery of services and the achievement of objectives and targets. The Chair of the Authority, Chief Fire Officer and the Finance Director oversee the review and sign off the Annual Governance Statement.

4.4 **Governance Committee**

- 4.4.1 The Governance Committee considers the effectiveness of the Authority's governance arrangements, risk management arrangements, control environment and anti-fraud and corruption arrangements and seeks assurance that action is being taken on risk-related issues identified by the auditors and the HMICFRS on corporate governance matters.
- 4.4.2 The committee receives and considers Internal Audit's Annual Plan and Annual Report and the reports and opinions of External Audit, including the Annual Audit Letter and monitors management action in response to the issues raised.
- 4.4.3 The committee has a responsibility to ensure internal control systems are effective and that policies and practices are compliant with statutory requirements, other regulations and guidance. This committee satisfies themselves that the Authority's assurance statements properly reflect the risk environment, drive any actions required to improve it, and will make recommendations or comments to the Authority as appropriate.
- 4.4.4 The committee is responsible for the ethical framework of the Authority and promotes high standards of conduct, working closely with the Monitoring Officer to deal with complaints about Members conduct.
- 4.4.5 The Governance Committee aligns with the core functions of an audit committee, as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities* and undertakes an assurance and advisory role.

4.5 **Statutory Officer roles:**

- 4.5.1 The Authority appointments the following statutory officers:
- The Head of Paid Service (Chief Fire Officer) has overall responsibility for the management and operational activities of the fire service and:

- Provides professional advice to the Authority and its committees; and
 - Ensures a system for recording and reporting Authority decisions, together with the Monitoring Officer.
- The Chief Finance Officer (Finance Director and s151 Officer) has overall responsibility for the financial management of the Authority and:
 - Ensures that the financial position of the Authority is monitored throughout the year and consideration is given to financial implications when taking decisions and with the support of External Audit that financial processes are complied with.
 - For advising both senior managers and elected members on all financial matters in line with CIPFA's document Role of the Chief Financial Officer in Local Government (2010). The Authority's financial management arrangements conform to the governance requirements of the CIPFA statement.
 - The post holder is professionally qualified and has many years' experience within Local Authority finance.
- The Monitoring Officer has overall responsibility for:
 - Ensuring compliance with established policies, procedures, laws and regulations, and the lawfulness and fairness of decision-making.
 - Reporting on matters they believe are, or are likely to be, illegal or amount to maladministration;
 - Matters relating to the conduct of Members and Principal Officers; and
 - The operation of the Authority's constitution.

4.6 The Executive Leadership Team

- 4.6.1 The Executive Leadership Team are responsible for the development and maintenance of the governance environment by:
- providing clear direction to the fire service and senior managers;
 - providing information from various sources to inform governance arrangements, e.g. performance reports, financial and risk management arrangements and;
 - contributing to the completion and review of the Annual Governance Statement;

4.7 Financial Planning

- 4.7.1 The MTFS provides the financial strand linking the budget-planning framework for Revenue and Capital budgets with Authority and fire service goals and priorities over a rolling 4 year period. The MTFS is presented to Fire Authority as part of the Revenue Budget report and published papers are made available to the public in February of each year on Sunderland City Councils' website.
- 4.7.2 The budget planning framework and draft budget is scrutinised and approved by Authority as part of a well-embedded budget cycle process each year culminating with final approval in February by Fire Authority. This process ensures that a realistic and affordable budget is approved in accordance with the advice of the Finance Director (Section 151 Officer), who provides assurance to members that the budget is prudent, affordable and sustainable.

- 4.7.3 The Authority approved a balanced budget for 2022/23 on 14 February 2022. Monitoring of expenditure against the budget is carried out throughout the year and Executive Leadership Team is regularly kept informed of the position. Formal quarterly reports are also provided to Authority where the Revenue Budget and Capital Programme are scrutinised and actions approved by members of the Authority as considered necessary. The fire service reported an estimated underspend of £0.700m for the financial year 2022/23, the detail of which is set out in the quarterly budget monitoring report made to Authority in January 2023. The final position however will not be known until the outturn report is finalised and reported to members in June 2023.
- 4.7.4 The Authority continued to ensure it had good arrangements for managing its finances and achieving value for money throughout the year. The financial planning process and the need to provide best value services is well embedded and understood across the Authority by Members and staff. A financial services team, managed by the Head of Financial Services who reports directly to the Finance Director maintains the correct competencies and ensures that the Authority and the Executive Leadership Team receive appropriate financial information to support the key decisions and objectives of the fire service.
- 4.7.5 The proposed Treasury Management Policy and Strategy 2022/23 (including both borrowing and investment strategies) proposed for 2022/2023 and the Prudential 'Treasury Management' Indicators for 2022/2023 to 2025/2026 was presented to the Governance Committee in March 2022 for scrutiny before it was fully approved by the Authority.
- 4.7.6 The Treasury Management Policy and Strategy and its Prudential Indicators, which are regularly monitored and formally reported to Governance Committee quarterly, ensure that the Authority's proposed Capital Programme is sustainable, affordable and achievable within the total resources envelope available to the Authority and also helps inform the MTFS.

4.8 Financial Management Code

- 4.8.1 In October 2019, CIPFA issued a new Financial Management Code. The purpose of the Code is to support good practice in financial management and to assist authorities in demonstrating their financial sustainability. It contains a set of minimum standards for financial management for local authorities, including fire authorities.
- 4.8.2 A detailed review has been undertaken by the Finance Director, which concluded that the Authority's arrangements comply with CIPFA's Financial Management Code.

4.9 Performance Management

- 4.9.1 There is a system of performance management embedded within the Authority's management structure and processes. The TWFRS Strategy 2025 sets out the Authority's key objectives, which are reflected in the annual departmental plans and KPIs. These plans are monitored by the Business Improvement Team, managed by

the Senior Leadership Team and key outcomes reported to the Executive Leadership Team and Authority regularly.

- 4.9.2 The Operational Standards Programme, introduced in 2021/2022 has provided substantial assurance. Areas for improvement identified were fed back to the crew and incorporated into future training programmes. A new programme of Operational Standards 2022/23 has seen a continuation of station visits, support to phase II firefighters, and development of leadership pathways for supervisory commanders.
- 4.9.3 The performance management framework is under review, with the aim to improve the management and reporting of corporate performance.

4.10 Risk Management

- 4.10.1 The Governance Committee received a progress report regarding the management of corporate risks on 6 March 2023, to ensure independent scrutiny of the corporate risk register. The Chair noted the good practice of critically evaluating the register (min no.31/21 refers) which provides assurance to the committee that risk is being managed appropriately.
- 4.10.2 The corporate risks facing the Authority were reviewed on 9 March 2023 by the Executive Leadership Team as part of their ongoing management of risk and there is currently one risk that is categorised as intolerable on the register, namely:
- 01/20 Risk that the impending Remedy for Age Discrimination in Pension Schemes results in detrimental Financial and workforce impacts for the Service.
- 4.10.3 The Executive Leadership Team continue to monitor this risk closely and apply the appropriate mitigation whilst reporting progress to the Governance Committee and Authority as part of the annual cycle of committee meetings for independent scrutiny and information, discussion and challenge respectively.

4.11 Business Continuity

- 4.11.1 The Service ensures business continuity arrangements remain fit for purpose by undertaking regular reviews and updating individual business continuity plans as appropriate. Specific plans are also created and reviewed as required (i.e. Covid-19) to ensure the delivery of critical activities during any business interruption. The programme of testing and exercising of business continuity plans underpins the business continuity management system.
- 4.11.2 Throughout 2022/23, the Service faced the additional risk of industrial action. To ensure the Service was prepared for this, the TWFRS Emergency Management Group was activated on 14 July 2022, and extensive work was undertaken to ensure suitable and sufficient business continuity arrangements were in place to provide a fire and rescue service in the event of a strike. This work included developing a new Concept of Operations, and Logistics Cell.

4.12 Internal Audit

4.12.1 Internal Audit is a key source of assurance for the Annual Governance Statement and operates in accordance with the Public Sector Internal Audit Standards. Internal Audit review the effectiveness of the Authority's governance arrangements, including the system of internal control, and reports on its adequacy. Internal Audit follow an audit plan based on an assessment of potential risks for the various systems and procedures.

4.12.2 The Internal Audit Plan for 2022/23 was noted and agreed by Governance Committee at their meeting on 7 March 2022 and set out the proposed plan of work for the Authority. The following audits took place during the year, and gave overall assurance levels of substantial (risk levels are low) or moderate (risk levels are acceptable):

- Business Continuity Arrangements (Substantial assurance confirmed);
- Partnership Working (Substantial assurance confirmed);
- Information Governance and compliance with GDPR (Moderate assurance confirmed).

4.12.3 In addition to the above, audit work was also undertaken on the Lead Authority's key financial systems, which are used by the Authority. Systems audited covered during the year included:

- Accounts Payable and Payroll (Transaction Testing) and substantial assurance was confirmed.

4.12.4 The Governance Committee were updated on progress against the audit plan at their meeting in March 2023.

4.13 External Audit:

4.13.1 External audit is undertaken by Mazars, a limited liability partnership appointed by Public Sector Audit Appointments Limited for this purpose. The Annual Audit Letter gives independent assurance of the Authority's financial control and Value for Money arrangements (including financial resilience and the overall efficiency and effectiveness of the Authority's arrangements).

4.13.2 The External Auditor has yet to issue their opinion on the Authority's Financial Statements for the year ending 31st March 2022. Particulars of the auditor's findings in respect of the audit of the accounts will be included in their detailed draft Audit Completion Report once issued to the Governance Committee, where it is expected to provide assurance of an unqualified audit opinion on the accounts and detailed on the Authority's arrangements for achieving value for money.

4.13.3 Mazars are expected to issue an unqualified opinion on both the Authority's financial statements and Value for Money Conclusion although the audit completion date is still unknown because it has been affected by a LGPS pension valuation issue that will impact upon the accounts for 2021/22. Past audits have not provided any issues of concern and this is the expected outcome for 2021/22

4.14 Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) Inspection

4.14.1 The Authority was first inspected by HMICFRS in 2018/19, and again in 2021/22, and judged as Good for all three areas of inspection:

- Effectiveness – our emergency response and services we provide to the public
- Efficiency – how we manage our finances and how efficient we are
- People – our culture, training and how we treat our people

4.14.2 The third round of full inspections is scheduled for 2023/24.

5 How the Authority addressed the governance improvement actions from 2020/2021

5.1 The Annual Governance Statement 2021/22 contained 9 improvement actions, comprising of four actions new actions identified during the 2021/22 annual governance review and five legacy actions.

5.2 Progress against these actions was reported to the Executive Leadership Team on 2 May 2023, where five were noted as complete and four actions remain to be completed. These actions are listed below:

- Action ref 60 2019/20 - Information Asset Register (IAR) and recording system to be reviewed, supported by new technology and further training. (*complete*)
- Action ref 7 2021/22 - Arrange for the provision of anti-fraud and bribery training for TWFRS Members, managers and staff. (*complete*)
- Action ref 67b 2020/21 - Roll out training on Corporate Governance for SLT including information asset management. (*complete*)
- Action ref 2 2022/23 - Develop a structured management development programme for the Senior Management Group. (*complete*)
- Action ref 4 2022/23 – Review, and where appropriate, update the All Personnel Code of Conduct. (*complete*)
- Action ref 43 2018/19 - Review and streamline policies and procedures, to include PIA & EIA and support training, to align to new strategic planning framework. (*partially complete*)
- Action ref 8 2021/22 - Further guidance and training required for staff on Privacy Impact Assessment (PIA) to improve staff understanding of and compliance with PIA requirements. (*partially complete*)
- Action ref 1 2022/23 - Develop a Communications and Engagement Strategy that sets out how the Service will continue to effectively engage with internal and external stakeholders. (*complete*)

- Action ref 3 2022/23 – Review and improve the Service’s Information Governance approach and develop an Information Governance Framework (*partially complete*)

5.3 Appendix A provides a concise high-level summary of the action taken during 2022/23 to progress these actions.

6 Opinion on the Governance Framework

- 6.1 The review of the effectiveness of the governance framework shows that the arrangements continue to be fit for purpose and reasonable assurance can be given that the framework is operating adequately in practice.
- 6.2 No review can provide absolute assurance; this statement is intended to provide reasonable assurance that there is an ongoing process for reviewing the governance framework and its operation in practice.
- 6.3 Whilst the governance framework is considered adequate a couple of issues have been identified that need to be addressed to further enhance the Authority’s governance arrangements and are outlined in section 7.

7 Governance matters identified for improvement during 2023/24

- 7.1 The review of the effectiveness of the Authority’s governance framework has identified no additional actions for 2023/24. This is due to the continued and focussed improvements to corporate governance monitoring, and better awareness of corporate governance amongst managers in the Service.
- 7.2 There are three improvement actions for completion during 2023/24, all of which are legacy actions carried forward from the 2022/23 action plan.
- 7.3 The Corporate Governance Board and Governance Committee have responsibility for ensuring the delivery of the actions needed to improve the Authority’s governance framework.

8 Assurance summary

- 8.1 The Authority recognises that good governance provides the foundation for the delivery of good quality services that meet the needs of stakeholders and ensures that public money is well spent. This review confirms the governance systems and monitoring arrangements in place for 2022/23 are working effectively.
- 8.2 The Authority is satisfied that appropriate governance arrangements are in operation and remains committed to enhancing these via the delivery of the action plan for 2023/24.
- 8.3 To the best of our knowledge, the governance arrangements, as defined above and within the Authority’s Local Code of Corporate Governance, have been effectively operating during the year 2022/23 with the exception of the outstanding actions at 5.2. We pledge our commitment that over the coming year we will take steps to further enhance our governance arrangements. We are satisfied that these steps

will address the need for improvements that were identified and will monitor their implementation and operation during the year and as part of our next annual review.

Cllr Phillip Tye	Chris Lowther	Dennis Napier
Chair of the Fire Authority	Chief Fire Officer and Chief Executive	Finance Director (S151 Officer)
Date:	Date:	Date:

Annual Governance Statement 2022/23 - Annual Action Plan

Ref	Area for improvement	Lead Officer	Responsible Officer	Actions Status
1 2022/23	Develop a communication and engagement strategy that sets out how the fire and rescue service will continue to effectively engage with both internal and external stakeholders.	AM Data, Digital & Safety	Media and Communications Manager	Action Complete The Communication, Engagement and Consultation Strategy has been consulted on with Senior Management Group, and appropriate amendments made. The final version was published in June 2023. The Strategy sets a clear direction for internal and external engagement, and will be supported by an internal and external communication, engagement and consultation plans – being developed in 2023.
2 2022/23	Develop and deliver a structured management development programme for the Senior Management Group.	HR Director	Organisational Development Manager Organisational Development Advisor	Action complete A structured management development programme was initiated in 2022 and five sessions have now been delivered with a further three, where specific topics have already been assigned, scheduled for delivery. Sessions are delivered on average every 6 to 8 weeks with content designed around topical subjects which address specific areas of leadership and management; and provide opportunity for learning and growth for TWFRS leaders. Work is currently being undertaken to publish this on the Organisational Development pages on the intranet. The Service has implemented the National Fire Chiefs Council (NFCC) Supervisory Leadership Development Programme in 2023, with all those participating in the initial rollout phase now inducted and progressing with the programme. In October 2022, a business case to commence the NFCC Middle Management Development Programme was agreed. This course is currently in development by NFCC and the Service will roll this out once a launch date is confirmed and training material is available.
3 2022/23	Review and improve the fire and rescue service's information governance	HR Director	Information Governance Advisor	In progress A new Information Management Framework has been developed, based upon all elements of the information life cycle and includes

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	approach and develop an information governance framework.	AM Data, Digital & Safety	HR Services Manager Head of ICT Head of Data, Information and Safety	essential sign posting to our updated procedures relating to information governance. Benchmarking has been undertaken against the Information Commissioner's Office (ICO) accountability tracker and in accordance with Fire Standards Board (FSB) criteria for information governance related Fire Standards. This is to ensure our policy content aligns to statutory requirements. There will be further review of this benchmarking following additional guidance due to be published by the FSB in relation to compliance with Fire Standards. Several policies and procedures were approved by ELT, and the overarching Framework will be reviewed and approved at the July 2023 ELT meeting.
4 2022/23	Review and where appropriate update the All Personnel Code of Conduct.	HR Director	HR Director	Action complete The Service's Code of Conduct was reviewed and refreshed to incorporate the national Core Code of Ethics for Fire and Rescue Services in England. The national Core Code of Ethics was developed in partnership with the National Fire Chiefs Council (NFCC), Local Government Association (LGA) and the Association of Police and Crime Commissioners (APCC) to support a consistent approach to ethics, including behaviours, by fire and rescue services in England. An e-learning package has also been developed for staff to complete to support the implementation of the Service's new Code of Conduct and Ethics.
7 2021/22	Arrange for the provision of anti-fraud and bribery training for TWFRS Members, managers and staff	HR Director	Head of Learning and Development Multimedia Technician	Action complete An e-learning package for the Service anti-fraud and bribery training has now been launched and is available for all staff to complete. In addition, to further support the roll out of this training, a counter fraud framework has been drafted and is now in the consultation phase prior to publication.

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				The Monitoring Officer has confirmed that Members receive training from their 'home' councils so there is no further action required in respect of Member training.
8 2021/22	Further guidance and training required for staff on Privacy Impact Assessment (PIA) to improve staff understanding of and compliance with PIA requirements.	HR Director	Information Governance Advisor HR Services Manager	<p>In progress</p> <p>In line with current Information Commissioners Office (ICO) guidance the Service has moved from the Privacy Impact Assessment requirements to incorporate the Data Protection Principles in to a Data Protection Impact Assessment.</p> <p>The Data Protection and GDPR policy is now published and a new DPIA template is in use. A trial of the revised DPIA process was carried out successfully on the refresh of the Body Worn Video Cameras policy.</p> <p>A DPIA guidance document is under consultation to support the completion of the screening questions/DPIA. DPIA requirements is explained within the e-learning package, additional 1 to 1 training/support is available as required.</p> <p>A request for an extension for this action to August 2023, to accommodate approval route for publication and delivery of the training.</p>
43 2018/19	Review and streamline policies and procedures, to include PIA and Equality Impact Assessment (EIA) and support training, to align to new strategic planning framework.	HR Director	Information Governance Advisor HR Services Manager	<p>In progress</p> <p>A revised process for developing and reviewing Service Policy and Procedure is now fully implemented which includes EIA. The Service has adopted a DPIA which covers the requirements of a PIA, in line with the ICO guidance. DPIA requirements and guidance is incorporated within the overarching Information Management Framework (noted in action 3 of this action plan) and further training is to be delivered (as noted in action 8).</p> <p>The Service is in the process of rolling out PIA training and templates</p>

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				Proposed completed date of August 2023 to accommodate the appropriate review of all required policies and procedures.
60 2019/20	Information Asset Register (IAR) and recording system to be reviewed, supported by new technology and further training.	HR Director AM Data, Digital & Safety	Information Governance Advisor HR Services Manager Head of ICT	<p>Action Complete</p> <p>A new IAR template is now in place that also includes the Record of Processing Activities (ROPA) to ensure we have a lawful basis for processing. Guidance documentation and training for Information Asset Owners (IAO) and administrators has been produced and delivered.</p> <p>All IAOs are currently carrying out data mapping exercises within their teams on the new IAR template to inform the final identification and allocation of information assets across the Service.</p> <p>Microsoft 365 functionality is being explored to effectively manage IARs and enhance the control of IARs within the Service eg. retention automation</p>
67 2020/21	Roll out training on corporate governance (CG) for the Senior Leadership Team (SLT) including b) info asset management.	HR Director	Information Governance Advisor	<p>Action Complete</p> <p>An initial Information Asset Owner training session was delivered to the SLT in February 2023 by the Information Governance Advisor, with follow up individual training sessions conducted with Department Heads. These one to one sessions will continue on a rolling basis to maintain and develop knowledge for IAOs.</p> <p>In addition, an Information Governance e-learning package was produced and has been launched to all staff in early 2023.</p>