

Minutes of the meeting of the  
GOVERNANCE COMMITTEE held in  
the Fire and Rescue Service  
Headquarters, Barmston Mere on  
Monday 28 JUNE 2021 at  
10.30 a.m.

**Present:**

**Item 3 (iii)**

Mr G. Cook in the Chair

Councillors Dick, Flynn, and Ord.

**Apologies for Absence:**

Apologies for absence were submitted to the meeting on behalf of Mr Knowles, Councillors Bell, Dodds and Burdis and also CFO Lowther and ACFO McVay.

**Declarations of Interest**

There were no declarations of interest.

**Minutes**

23. RESOLVED that the minutes of the meeting of the Governance Committee held on 24 May 2021 were confirmed and signed as a correct record.

DCFO Heath referred to the Service Improvement Plan and explained that this piece of work was taking longer than anticipated however would be submitted to a future meeting of the Committee as soon as possible.

The Finance Director explained that a meeting had taken place with the Board of Directors in relation to the PFI Buildings and both parties were now clear on the issues. This regular dialogue was welcomed and progress was being made.

**Annual Governance Review 2020/2021**

The Chief Fire Officer/Chief Executive (the Clerk to the Authority) and the Finance Director submitted a joint report to present to Members the findings from the 2020/21 Annual Governance Review.

Members were advised that the Authority's Governance Framework had continued to be in place for the year ending 31 March 2021 and up to the date of approval of the 2020/21 Statement of Accounts. The Annual Governance Review had demonstrated that the Authority's internal control systems and governance arrangements were appropriate and that effective structures were in place to safeguard financial, operational and risk management.

The Annual Governance Statement had been produced as part of the Annual Governance Review and included an action plan to address the governance issues identified.

In order to achieve good governance, the Authority had to demonstrate that its governance arrangements complied with the seven principles of the CIPFA / SOLACE framework.

The first two principles focused on acting in the public interest:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.

The remaining five principles required effective arrangements for:

- Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- Determining the interventions necessary to optimise the achievement of intended outcomes.
- Developing the Authority's capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The Fire and Rescue National Framework for England placed a further duty on the Authority to produce an Annual Statement of Assurance. The Authority first published this statement in 2013 and was combined with the Authority's Annual Report. The Authority was compliant with the National Framework as the 2019/20 Statement of Assurance and Annual Report (SOAAR) was approved by Members at the 16 November 2020 Fire Authority.

Members were advised that in order to assess the framework, the Annual Governance Review followed a structured approach, comprising of a number of stages, which were overseen by the Corporate Governance Board. A summary of the Annual Governance Review methodology was at Appendix A of the report.

The Finance Director explained the findings of the Annual Governance Review in that:

## **Views of Elected Members**

15 / 17 Members completed the questionnaire, an 88% response rate. Overall responses were extremely positive about the Authority's governance arrangements, indicating no significant areas for concern and only minor areas for improvement were identified. The analysis of the Members questionnaires was presented in Appendix B of the report.

## **Department Head Self-Assessments**

The assessments indicated that sound control mechanisms were in place to support the Authority's governance arrangements. It was proposed that a review of the departmental self-assessment process would be undertaken for 2021/22 to identify areas for improvement.

## **Area Manager Controls Assurance Statements**

All Area Managers / Directors were satisfied with the evidence provided and regarded the assessments to be a true and accurate record of the activities within their respective departments. All confirmed there were sound systems of internal control and risk management operating within each of their functions and were satisfied that adequate governance arrangements were in place.

## **Evaluation of Internal Control Arrangements**

The Authority's internal control arrangements were assessed in line with guidance from CIPFA's Financial Advisory Network. The system of internal control was a significant part of ensuring good governance arrangements were in place and designed to manage risk to a reasonable level. Arrangements were in place however, could not completely eliminate the risk of failure, and therefore could only provide reasonable, and not absolute, assurance of effectiveness.

## **Internal Audit Annual Report**

The Finance Director explained that the Internal Audit Plan for 2020/21 was noted and agreed by Governance Committee at their meeting held on 13 March 2020, which set out the proposed plan of audit work for the Authority. The Governance Committee were updated on progress against the audit plan at their meeting held on 30 November 2020 and received and noted the annual report on 24 May 2021.

There were no high or significant risks identified from the audits completed in 2020/21 and there were no matters material to the overall internal control environment of the Service. For reassurance, any risks classified as medium risks or above were included in the organisation improvement plan and monitored directly by the Executive Leadership Team. There were 20 medium risk actions resulting from the audits and 4 other low risk improvement actions, which were included in the departmental plans of the relevant specific teams to address. The Authority had addressed 96% of all of the medium risk actions recommended.

## **Risk Management**

Members were advised that the Community Risk Profile (CRP) for 2020-23 was published online in September 2020.

The top three risks featured within the CRR were as follows:

- Failure to attain anticipated grading as a result of HMICFRS may impact on the reputation of the Service and represented a significant increase in workload to implement improvement activities. (*Intolerable risk rating*)
- Risk that the impending Remedy for Age Discrimination in Pension Schemes resulted in detrimental financial and workforce impacts for the Service. (*Substantial risk rating*)
- Risk that financial pressures would impact on Service's decision making and delivery of its goals/priorities and objectives. (*Substantial risk rating*)

## **Performance Management**

The Authority continued to deliver an excellent service across the five local authority areas of Tyne and Wear. The combination of safety advice and the installation of smoke detectors had enabled the Authority to keep people safe and had been an essential part of the aim to reduce injuries and deaths from fires. This year had seen one fire fatality. There were zero deaths in accidental dwelling fires.

The Authority's performance management arrangements had been reviewed and a number of actions had been addressed during the financial year.

## **Information Governance**

The Service worked in alignment with ISO:27001 Information Security Management and was compliant with General Data Protection Regulation (GDPR) requirements which came into force on 25 May 2018. The Service introduced a new Information Asset Register (IAR) in 2020, which was fully compliant with the Data Protection Act 2018 and GDPR in line with the roll out of Microsoft Teams.

A further review of the current IAR was underway. Within these audits a review of the retention schedules would also be carried out. Between 2018-21 three independent audits took place by Sunderland City Council to assess compliance in which the Service received substantial assurance. Action points raised during the audit included minor changes to internal audits and station inspections.

## **External Auditor Opinion**

The Annual Audit Letter and Audit Completion Report prepared by the Authority's external auditors, Mazars, covered the financial year 2019/20, which gave their

independent opinion and assurance of the Authority's financial statements and their Value for Money Conclusion for the Authority.

The Finance Director was pleased to advise that Mazars had issued an unqualified opinion on both the Authority's financial statements and Value for Money Conclusion.

### **Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services**

In October 2020, HMICFRS carried out a thematic inspection into the Services' planning arrangements, response and ability to demonstrate effective service during the coronavirus pandemic which resulted in an overwhelming positive outcome with the letter of outcome clearly highlighting the excellent work being undertaken.

### **External Assessments**

To support the commitment to continuous quality improvement the Authority participated in a number of external assessments which had resulted in accreditations and awards which allowed the Service to be measured against a variety of quality standards and permitted a certified and impartial organisation to assess the work undertaken. Recent accreditations included: Investors in People, ISO 9001 Quality Management Assessment, Disability Confident Leader 2019 – 2022, Stonewall Diversity Champion 2020, White Ribbon Accreditation 2019 – 2021, Learning Outside the Classroom Quality Badge, RoSPA Health and Safety Award and Matrix Standard.

### **Views of customers**

The Finance Director explained that the views of customers were of paramount importance to the Service and that an 'After the Incident Survey' (ATIS) aided the Service to understand how crews performed at an incident from the customers' perspective. For 2020/21 a 98% user satisfaction rate was recorded for domestic incidents and a 100% user satisfaction was recorded for non-domestic incidents.

The Fire Safety Audit survey was launched in 2010, to allow the fire safety department to receive feedback from service users who had recently been involved with a Fire Safety Audit (FSA).

In 2020/21, the Service was significantly impacted by the Covid 19 pandemic, which resulted in adopting different ways of working where physical visits to premises were suspended for large parts of the year. This impacted the number of FSAs completed in 2020/21, a reduction of 82% in comparison to 2019/20. Consequently, because of the significantly lower number of returns it was not considered appropriate to compare these results to previous years.

Safe and Well Perception Surveys were reintroduced in July 2020, to coincide with the increase in delivery and the easing of lockdown restrictions. Nine months of data for the period July 2020 to March 2021 had been recorded with an average satisfaction rate of 99.21% achieved against this KPI, with 100% being achieved in six of the nine months since July 2020.

The Finance Director then explained that using information gathered from the 2020/21 annual governance review the Local Code of Corporate Governance had been updated for 2021 and was attached at Appendix C of the report.

Members were then referred to Appendix D of the report (Annual Governance Statement) which had been drafted taking into account the effects of the Covid 19 pandemic. The pandemic impacted the Authority's governance arrangements however, the Authority's internal control systems and arrangements were considered to have remained appropriate and effective.

The Committee was advised that a small number of minor improvements were identified as part of the annual governance review, resulting in eight new actions on the 2021/22 Corporate Governance Action Plan (Appendix Dii of the report). A further seven actions had been carried forward from the 2020/21 action plan, bringing the total number of actions for completion to 15.

In summary, the Finance Director explained that the Annual Governance Review had demonstrated that the Authority's internal control systems and governance arrangements were appropriate and effective structures were in place to safeguard financial, operational and risk management.

The review had not identified any weaknesses that would need to be highlighted in the Authority's Annual Governance Statement and a small number of new improvement actions had been identified for progression during 2021/22 as detailed in the Corporate Governance Action Plan.

Councillor Flynn welcomed the findings and commented that a positive report was no surprise.

The Chair, on behalf of the Committee, congratulated all staff on their performance during the Pandemic commenting that what they had achieved, was remarkable.

24. RESOLVED that:

- (i) the contents of the 2020/21 annual governance review report be noted and endorsed;
- (ii) the revised Local Code of Corporate Governance be noted;
- (iii) the draft Annual Governance Statement for 2020/21 be noted and endorsed;  
and
- (iv) the content of the Corporate Governance Action Plan 2021/22 be noted.

(Signed) G. COOK,  
Chairman