

Review of the Code of Corporate Governance

Report of the Chief Fire Officer

For further information about this report please contact Alan Taylor, Chief Fire Officer, on 01743 260201 or Andy Johnson, Head of Risk Management, on 01743 260287.

1 Purpose of Report

To request Members to agree and adopt the proposed Code of Corporate Governance for Shropshire and Wrekin Fire Authority, following the annual review conducted by officers.

2 Recommendations

Members are asked to agree and adopt the Fire Authority's proposed Code of Corporate Governance 2008/09, attached as an appendix to this report.

3 Background

At its meeting on 26 April 2005 the Fire Authority adopted a Code of Corporate Governance, based on guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE). It is a requirement of the Code that it is reviewed annually by the Chief Fire Officer and that the full Fire Authority approves and adopts the Code each year. The Treasurer is responsible for ensuring an annual review of compliance with the Code and Internal Audit independently audits the process. The last review was conducted in May 2007 and the revised Code approved and adopted by the Fire Authority at its meeting on 13 June 2007.

4 Internal Audit Review

In April 2008 internal audit carried out a full review of the Fire Authority's compliance with its Code of Corporate Governance and made the following comments:

“The code has been examined in detail and evidence obtained in each area. No discrepancies, inaccuracies or potential improvements were found as a result of this exercise.”

“From the audit work undertaken and the explanations provided, it is the auditor’s opinion that Shropshire Fire and Rescue Service has full compliance with their Code of Corporate Governance. No recommendations have been made as a result of this review.”

5 Chief Fire Officer’s and Treasurer’s Review

The Chief Fire Officer has recently conducted his annual review of the Code of Corporate Governance and he proposes certain amendments. These are of a minor nature and, in the majority of cases, are required to bring the Code up-to-date.

The Treasurer has also reviewed the Code and is satisfied that the Fire Authority and its officers have complied with it.

The proposed Code, incorporating the amendments suggested by the Chief Fire Officer, is attached as an appendix to this report. Additions to be agreed are shown in bold italics and deletions struck through.

6 Financial Implications

There are no direct financial implications arising from this report.

7 Legal Comment

Although the Fire Authority is not legally required to have in place a Code of Corporate Governance, it is considered best practice to do so.

8 Equality Impact Assessment

This report has been assessed to ensure that any effect it might have would not result in discriminatory practice or differential impact upon specific groups. The initial Equality Impact Assessment is attached.

9 Appendix

Shropshire and Wrekin Fire Authority proposed Code of Corporate Governance 2008/09

10 Background Papers

Chartered Institute of Public Finance and Accountancy

Corporate Governance in Local Government - A Keystone for Community Governance – Framework and Guidance Notes (2001)

Shropshire and Wrekin Fire Authority

26 April 2005, Report 16 - Code of Corporate Governance and Minutes
 10 May 2006, Report 13 - Review of Code of Corporate Governance and Anti-Fraud and Corruption Strategy and Minutes
 13 June 2007, Report 9 – Review of Code of Corporate Governance and Minutes

Shropshire County Council Audit and Consultancy Services

Final Audit Report on Shropshire Fire and Rescue Service – Compliance with the Code of Corporate Governance 2007-2008 (April 2008)

Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balanced Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	*
Capacity		Member Involvement	
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment		Operational Assurance	
Efficiency Savings		Retained	
Environmental		Risk and Insurance	
Financial		Staff	
Fire Control/Fire Link		Strategic Planning	
Information, Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Equality Impact Assessment (attached)	*



Shropshire Fire & Rescue Service EQIA number
Initial Equality Impact Assessment Form

Directorate	Performance Improvement Dept	Department/Section	Performance Improvement Team
Name of officer	Andy Johnson	Job title	Head of Risk Management
Name of Policy/Service to be assessed	Report to CFA – Review of the Code of Corporate Governance	Date of assessment	2 June 2008
New or existing policy	Review of an Existing Policy		

1. Briefly describe the aims, objectives and purpose of the policy/service	This report to CFA reports the outcomes from a review of the existing Code of Corporate Governance used by the Authority. The Code is based upon best practice guidance, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) in a document entitled "Corporate Governance in Local Government – A Keystone for Community Governance - Framework". As such, the Authority's code simply states how they meet the legislative requirements of good governance.		
2. Are there any associated objectives of the policy/service?	No		
3. Who is intended to benefit from the policy/service and in what way?	The organisation as a whole and the people it serves should benefit from the Authority having appropriate governance procedures in place.		
4. What outcomes are wanted from this policy/service?	These procedures ensure the Authority is detailing appropriate aims and objectives for the Service and also has appropriate structures in place to deliver on those aims and objectives, with appropriate levels of challenge also being included.		
5. Who are the main stakeholders in relation to the policy/service?	The main stakeholders for this report, rather than the procedures they relate to, are the Fire Authority members themselves.		
6. Who implements the policy/service and who is responsible for this?	The various Authority committees and responsible officers are charged with ensuring the procedures are implemented, with the Monitoring Officer being responsible for providing assurance to the Authority as a whole.		
7. Are there any concerns that this policy/service could have a differential impact on the following groups and what existing evidence do you have for this?		N	The procedures detailed in the Code of corporate governance are very high level/strategic procedures, which impact on how decisions are made, rather than what decisions are made. They include reference to the need for the Authority to set and deliver on appropriate equality standards and for equality in service to be considered when making its decisions. There are therefore no differential impacts on any of the groups below.
8. Age		N	

9. Disability		N	
10. Gender		N	
11. Race		N	
12. Religion or belief		N	
13. Sexual orientation		N	
14. Dependant/caring responsibilities		N	
15. Could the differential impact identified in 7-14 amount to there being the potential for adverse impact in this policy/service?			Not applicable
16. Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group or another reason?			Not applicable
17. Have you consulted those who are likely to be affected by the policy/service?	Y		This report is consultation with members of the Fire Authority
18. Should the policy proceed to a full impact assessment?		N	No adverse impact from this report or the procedures it relates to.
19. Date by which full impact assessment to be completed			
20. Reason for non completion			

I am satisfied that this policy has been successfully impact assessed.

I understand the Impact Assessment of this policy is a statutory obligation and that, as owners of this policy, we take responsibility for the completion and quality of this process.

Signed: (Assessing person)	A Johnson	Date:	2 June 2008
Signed: (Line Manager)		Date:	
Please note that this impact assessment will be scrutinised by the E&D Officer			

Shropshire and Wrekin Fire Authority

Code of Corporate Governance

Introduction

Shropshire and Wrekin Fire Authority is committed to the principles of effective corporate governance and has, therefore, adopted a Code of Corporate Governance.

Guidance on corporate governance was issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) in a document entitled "Corporate Governance in Local Government – A Keystone for Community Governance - Framework".

In the Framework document corporate governance is defined as:

‘the system by which local authorities direct and control their functions
and relate to their communities’.

The fundamental principles of corporate governance are openness and inclusivity, integrity and accountability. The CIPFA/SOLACE document identifies five interlocking dimensions in a corporate governance framework consisting of:

- Community Focus
- Service Delivery
- Structures and Processes
- Risk Management and Internal Control
- Standards of Conduct

The Fire Authority’s Code of Corporate Governance specifically identifies the actions to be taken under each of these dimensions and applied to all aspects of its business. On a practical basis, the Code defines the Fire Authority’s framework by reference to key processes, procedures and documents, which contribute to effective corporate governance.

In order to deliver effective corporate governance Members and staff of Shropshire and Wrekin Fire Authority are required to conduct themselves in accordance with the high standards expected by the citizens of Shropshire.

Adoption and Review of the Code

The Framework document also stresses that systems and processes must be monitored for their effectiveness in practice and subject to review on a continuing basis to ensure that they are up-to-date.

The Chief Fire Officer is responsible for reviewing this Code annually and the full Fire Authority is responsible for approval and adoption of the Code each year. The Treasurer will be responsible for ensuring an annual review of compliance with the Code and an independent audit of the process will be carried out by Internal Audit as part of their rolling programme of work. The results of this review will form a part of the overall assurance for the Statement of Internal Control signed by the Chair, Chief Fire Officer and Treasurer of the Fire Authority.

Shropshire and Wrekin Fire Authority Actions to be taken in relation to each dimension of Corporate Governance

Community Focus

The Fire Authority will:

- a) **Publish on a timely basis an annual report presenting an objective and understandable account of the authority's activities, achievements and financial position and performance. The report will include statements:**
- Explaining the authority's responsibility for the financial statements
 - Confirming that the authority complies with relevant standards and codes of corporate governance
 - On the effectiveness of the authority's system for risk management and internal control
 - ***On the services environmental impact***

Statement of Accounts

An audited and signed Statement of Accounts is published annually containing:

- A Statement of Responsibilities, detailing the responsibilities of the Fire Authority and its Treasurer
- An Audit Certificate, setting out the Auditors' opinion on the financial statements
- A Statement of Accounting Policies that the accounts have been prepared in accordance with the Code of Practice of Local Authority Accounting issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and with the detailed accounting recommendations included in the Financial Reporting Standards and the Statements of Accounting Practice
- A Statement on Internal Control signed by the Chair of the Fire Authority, the Chief Fire Officer, as Head of Paid Service, and Treasurer, as Section 151 Officer.

Performance Plan and Annual Report

~~Within its annual Performance Plan the Fire Authority sets out its activities and achievements over the previous year. In addition to meeting a statutory requirement, this document provides a means of communication with the community of Shropshire, staff, elected Members, and organisations with an interest in the Fire Authority's activities.~~

Within its annual Performance Plan the Fire Authority sets out its activities for the forthcoming year whilst the Annual Report reflects on achievements of the previous year. In addition to meeting a statutory requirement, these documents provide a means of communication with the community of Shropshire, staff, elected Members, and organisations with an interest in the Fire Authority's activities.

- b) **Publish on a timely basis a Performance Plan and Annual Report presenting an objective, balanced and understandable account and assessment of the authority's current performance in service delivery and plans to maintain and improve service quality**

~~The Performance Plan published in June of each year reports on the achievements of the previous year. It sets out clearly the Fire Authority's performance against target for each of its Best Value Performance Indicators for that year and states whether or not it has achieved target.~~

The Performance Plan published in April of each year outlines the Authority's priorities and sets out its targets against Best Value Performance Indicators for the coming year. The Performance Plan sets out the key areas for further development and implementation identified by the Audit Commission for the coming year. Furthermore, it highlights priorities for improvement and sets out performance targets for the next three years.

In addition, the Plan includes measures to address:

- ~~• Operational Assurance Assessments;~~
- Findings of the Audit Commission performance framework regime;
- Strategies and initiatives, which demonstrate that the Fire Authority is providing value for money, when assessed through a Use of Resources judgement.

The Annual Report looks back over the previous year against targets for each of its Best Value Performance Indicators, stating whether or not it has achieved target. The Annual Report also informs on progress against the findings of the previous years assessments carried out by the Audit Commission.

In addition, the report includes:

- ***A statement of contracts involving a transfer of staff;***
- ***Annual Efficiency Statement;***
- ***Financial performance information.***

c) Put in place proper arrangements for the independent review of the financial and operational reporting processes

The Fire Authority's financial and operational reporting processes are independently examined by:

- The Audit Commission via the Annual Audit Letter, which is presented to, and formally accepted (or otherwise) by the Fire Authority. The Commission's audit certificate is included in each year's Statement of Accounts
- The Audit Commission and Communities and Local Government via Operational Assurance Assessments
- The Audit Commission via Use of Resources Assessments
- Independent Internal Auditors who report annually to the Treasurer
- The Audit Commission via Comprehensive Performance Assessment

d) Put in place proper arrangements designed to encourage individuals and groups from all sections of the community to engage with, contribute to, and participate in, the work of the authority and put in place appropriate monitoring processes to ensure that they continue to work in practice

The two corporate objectives associated with strategic aim 4 – To provide ***sustainable*** service that demonstrates quality and best value in service provision – state that we will:

- ~~Promote a partnership approach in pursuance of continuous improvement, having regard to a combination of economy, efficiency and effectiveness~~
- ~~Ensure the provision of a service that meets the needs of the community~~
- ***Deliver continuous improvement having regard to a combination of economy, efficiency and effectiveness, in partnership where appropriate.***
- ***Ensure the provision of a service that responds to the needs and views of local communities, where appropriate.***

We achieve this by the following means:

- The Retained Service
- Local meetings throughout Shropshire to discuss our aims and priorities
- Scrutiny Panels made up of a cross section of the community
- Public/stakeholders budget consultation meetings
- Established links and regular meetings with local schools and other organisations
- Advance publication of reports and information about official Fire Authority meetings on the web site
- Partnership working with local agencies
- Partnership working through the West Midlands Regional Management Board
- Community Liaison Panel

The feedback received is reported to the Fire Authority.

- e) **Make an explicit commitment to openness in all dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so, and to deliver an account against that commitment**

The Fire Authority is committed to openness in all of its dealings and to this end has adopted a procedure for public participation at its meetings and those of its committees, which the public may attend. The procedure is set out in its Standing Orders for the Regulation of Proceedings and Business. Its agendas and reports are available to the public and publicised on its website in advance of meetings. The Fire Authority also has very clear rules governing access to information and the grounds on which information should be excluded from the public domain.

Detailed procedures are in place for processing requests made under the Data Protection Act, the Freedom of Information Act and the Environmental Information Regulations and software for dealing with requests made has been installed.

- f) **Establish clear channels of communication with all sections of the community and other stakeholders and put in place proper monitoring arrangements to ensure they operate effectively**

We have many ways of communicating with our citizens and stakeholders, such as:

- Publications and leaflets, including the Council Tax Leaflet
- Press releases and close relationships with the local media
- The Fire Authority's website
- The West Midlands Regional Management Board website

- House-to-house visits
- Local fire safety campaigns
- Established links and regular meetings with local organisations and schools
- Public / stakeholders open budget consultation meetings
- Fire station open days
- Attendance at local and regional exhibitions and shows
- Participation in Local Democracy Week events
- Partnership working
- Best Value Customer Survey carried out every three years
- After Incident User Consultation Survey
- Involvement of the Fire Authority's Members

g) Ensure that a vision for their local communities and their 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

Integrated Risk Management Planning

The Integrated Risk Management Planning (IRMP) process uses statistical analysis, aided by various software tools, including the Fire Service Emergency Cover software to determine the type and level of predicted risk for all of the communities in Shropshire. The outcome of this risk assessment enables the Fire Authority to distribute its resources to the best effect and thus achieve its vision of

'Putting Shropshire's Safety First'.

The information collected through the process is regularly updated and reviewed to ensure it is current and accurate and so reflects the changing needs of the community of Shropshire.

The Integrated Risk Management Plan and the associated Annual Integrated Risk Management Plan Action Plan are drawn up following widespread consultation with members of the public, stakeholder organisations and staff over a three-month period. Copies of these documents are provided to all who participated in the consultation process and are also available in local libraries and on the Fire Authority's website.

Safer Communities Core Strategy

The Safer Communities Core Strategy document links clearly with the Fire Authority's vision, strategic aims and corporate objectives and outlines how the Fire Authority plans to deliver its key safer communities objectives over the next four years. The Strategy articulates the vision and ambitions for the Community Safety Service and what the key outcomes of the Service's work will be, as indicated in the Authority's IRMP. Business Plans and Action Plans

for each team set out the means, by which its Service Objectives will be achieved.

Details of the various projects within the Strategy are given in the Fire Authority's annual Performance Plan and disseminated via the means outlined in f) above. Consultation on the Strategy also takes place through those same means. In addition, the Fire Authority's Community Liaison Panel ensures that there is an effective two-way channel of communication with all of the County's communities and its older and younger people. The Strategy is a working document and, as such, can be adapted to accommodate change and thus meet the needs of the community.

Budget Consultation

The budget consultation process also assists in identifying the needs/priorities of Shropshire's citizens and feedback obtained is reported to the Fire Authority.

Government Legislation

Many of the Fire Authority's priorities and targets are imposed upon the Fire Authority by the Government. Specifically the Fire and Rescue Services Act 2004 and National Framework Documents impose additional statutory duties and other requirements upon the Fire Authority. The Fire Authority recognises that the introduction of the Framework Documents necessitates the need for regular reviews of its strategic aims and corporate objectives to ensure that there is a clear link with those additional duties and requirements. To this end the improvement plan, which emerged from the Fire Authority's Comprehensive Performance Assessment has been strategically reviewed and aligned, not only with the national Framework, but also with Best Value Performance Indicators and Regional Management Board issues. Furthermore, the outcomes of other assessments required by the Government, such as Operational Assurance and Use of Resources, are incorporated into the Fire Authority's strategic plans.

Service Delivery

The Fire Authority will:

- a) **Set standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality policies**

At its first meeting in April 1998, the Fire Authority agreed a three-year Service Plan, which established the vision and strategic aims of the Authority and included linked corporate objectives, performance indicators and targets. Although, over the years, there have been minor variations to the corporate objectives contained within the original Service Plan, the vision and strategic aims remain as relevant today as they were then. Furthermore, they provided the impetus for the early modernisation of the Service, as confirmed by two

verification audits conducted by the Audit Commission and by the Comprehensive Performance Assessment audit during 2005.

The Fire Authority's standards and targets for performance in the delivery of service are reviewed annually and set out in:

- The **Performance Corporate** Plan
- The Integrated Risk Management Plan
- Safer Communities Core Strategy
- Regular performance monitoring reports to the Fire Authority's Audit and Performance Management Committee
- The 'Quality means Equality' strategy document (based on the Equality Standard for Local Government)

Our statutory Best Value Performance Indicators are subject to audit by Internal Audit and an annual audit by the Audit Commission. From April 2005 the Fire Authority has also been required to produce a quarterly report to the Office of the Deputy Prime Minister, now replaced by Communities and Local Government, on its Best Value Performance Indicators. Most of the Indicators show a year-on-year improvement in performance, demonstrating their sustainability.

A Corporate Equality Policy Statement and Race, Disability and Gender Equality Schemes are in place and equalities and diversity training forms part of the staff induction programme. In support of that training the Fire Authority has published a 'Guide to Culture and Diversity in Shropshire', which is now used by many other organisations within the County and fire services around the country. The Fire Authority continues to retain the 'Two Tick' positive about disabled people standard, which recognises its commitment to becoming an employer of choice for people with disabilities. The Fire Authority also operates a positive action strategy to encourage applications for employment from under-represented groups, if that particular group has been under-represented within the workplace in the last 12 months.

The Fire Authority employs an Equality and Diversity Officer, whose remit is to ensure that equality and diversity are considered in every aspect of service delivery.

The Fire Authority also contributes to, and works in partnership with the Shropshire Partnership Equalities Forum and the Borough of Telford & Wrekin Race Equality and Diversity Group, both of which provide advice on equality and diversity issues.

Furthermore, the Service has in place a procedure to assess the impact of the introduction, or change to any, of its policies, procedures or functions to ensure that it is not prejudicial to any particular group.

The Service operates an Environmental Management System to ISO14001:2004, and uses this to assess the environmental impact of its activities.

b) Put in place sound systems for providing management information for performance measurement purposes

Performance measurement information is co-ordinated and administered through the Service's Programme Office, which together with the Assistant Chief Fire Officer validates the annual return required by Communities and Local Government to produce the Best Value Performance Indicator tables.

Officers continue to develop a ~~strategic planning database~~ **performance management system**, which will improve how management information is collated and disseminated. Work is continuing to provide improved systems for inputting, manipulating and accessing information throughout the Brigade, which will assist in performance measurement.

c) Monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans

Regular performance monitoring reports are considered by the Management Team. These focus on priorities for the Fire Authority and are used in the formulation of action plans for the Service.

A performance monitoring report is taken to each meeting of the Fire Authority's Audit and Performance Management Committee, which clearly identifies the progress made against Best Value Performance Indicators and Service Objectives. The Committee may then ask for further details of specific areas of good or poor performance to be reported to the full Fire Authority.

An annual performance report is taken to the Fire Authority informing Members of the position of the Brigade in national performance tables published by Communities and Local Government relating to Best Value Performance Indicators for the year.

The Fire Authority's annual Performance Plan, Integrated Risk Management Plan and associated Action Plan and Safer Communities Core Strategy document set out agreed standards and targets in a comprehensive and understandable manner.

The focus of the Comprehensive Performance Assessment (CPA) process is to improve local services for local people. The outcome of the Fire Authority's first CPA review, published in 2005, has driven its priorities for improvement, which in turn have been reflected in the Fire Authority's performance plans.

d) Put in place arrangements to allocate resources according to priorities

The Members' Budget Working Group meets regularly to discuss resource allocation and budget priorities for the next three years. The work of this Group feeds into the reports considered by the Fire Authority's Strategy and

Resources Committee, which in turn makes recommendations to the full Fire Authority on allocation of resources.

The annual budget setting process begins with a review of the Budget and Service Strategy for the following three years and brings together key issues, which have financial implications for the Fire Authority. In particular, this has involved bringing together Integrated Risk Management Planning and implementation of recommendations from the Retained Review within the budget. As part of the budget setting process the Fire Authority has established a ten-year capital programme and conducts detailed appraisal of each scheme within the programme, prioritising and deprioritising schemes as necessary. The Service has Asset Management Plans, which identify significant investment and maintenance expenditure over a ten-year period. It also has a ten-year investment plan for property maintenance and has embedded a formal medium term financial plan.

The National Framework document sets out what the Fire Authority's priorities are in terms of what it 'must do' and 'should do'. The Authority has considered the Framework and understood its implications in terms of priority and resources. During the budget setting process the Fire Authority has been mindful of these priorities together with the possibility of capping and allocated its resources accordingly.

e) Foster effective relationships and partnerships with other public sector agencies and with the private and voluntary sectors, and consider outsourcing, where it is efficient and effective to do so in delivering services to meet the needs of the local community, and put in place processes to ensure that they operate effectively in practice

The two corporate objectives associated with strategic aim 4 – To provide a service that demonstrates quality and Best value in service provision – state that we will:

- Promote a partnership approach in pursuance of continuous improvement, having regard to a combination of economy, efficiency and effectiveness
- Ensure the provision of a service that meets the needs of the community.

We have numerous examples of effective partnership working:

- West Midlands Regional Management Board
- Local Strategic Partnerships with Borough of Telford & Wrekin and Shropshire County Council
- Borough of Telford & Wrekin Schools
- Local Crime and Disorder Reduction Partnerships
- Fire-Police-Ambulance Partnership Agreement
- Telford Race, Equality and Diversity Group
- Shropshire Partnership Equalities Forum
- Crucial Crew

- Junior Fire Education Scheme
- Juvenile Intervention Scheme
- Vehicle Crime Courses
- Fire Safety Awareness Packs
- Falck-Shropshire Fire and Rescue Service Exchange Programme
- Age Concern, The Red Cross and other voluntary community sector partners

The Fire Authority has developed a robust strategic partnership framework to ensure that objectives are achieved and outcomes measured. A review of partnerships has been conducted and a Partnership Assessment Group has been formed, which meets regularly to appraise all partnerships.

The Fire Authority has in place a variety of innovative agreements to secure value for money through outsourcing, including the provision of:

- Occupational health services
- Breathing apparatus
- Hydrant maintenance
- Driver and first aid training
- Home risk assessments and smoke alarm fitting

To secure efficient and effective delivery of services the Fire Authority is also involved in a number of procurement consortia and aggregated contracts. Whilst these tools facilitate the procurement process, the decision to purchase is determined as an outcome of robust project planning or business cases.

The Fire Authority is also actively engaged in collaborative planning with partner fire authorities via the West Midlands Regional Management Board. Such collaboration facilitates long-term financial and service planning initiatives with the aim of securing economies of scale. All regional projects are monitored through programme management and PRINCE 2 methodology.

f) Respond positively to the findings and recommendations of external auditors and statutory inspectors and put in place arrangements for the effective implementation of agreed actions

Audit Commission reports and responses are considered by Policy Group and presented to the Fire Authority. The issues raised form part of the programme of work agreed with Internal Audit and are dealt with in a timely manner by the Treasurer.

The outcome of the Fire Authority's first Comprehensive Performance Assessment, published in 2005, drove its priorities for improvement, which in turn were reflected in plans to implement agreed actions.

The Audit Commission's Operational Assurance and Use of Resources assessments have also highlighted areas for improvement, which now form part of our improvement planning process.

Structure and Processes

The Fire Authority will:

- a) **Put in place clearly documented protocols governing relationships between members and officers**

At its meeting in October 2005 the Fire Authority agreed a Protocol on Member/Officer Relations.

- b) **Ensure that the relative roles and responsibilities of executive and other members, members generally and senior officers are clearly defined**

The Fire Authority has in place role descriptions, which clearly define the roles and responsibilities of its Members, Chair, Vice-Chair, Leader of the Opposition Group, Chair of the Integrated Risk Management Planning Members' Working Group, Independent Members of its Standards Committee and Member Champions.

The roles and responsibilities of all Principal Officers, including those of the Treasurer, are clearly defined in job descriptions held by the Human Resources Department. The responsibilities of the Monitoring Officer are set out in the Service Level Agreement with Borough of Telford & Wrekin for the Provision of Clerk and Monitoring Officer Services. Delegations to specific officers are documented in Section 4 of the Shropshire and Wrekin Fire Authority Handbook.

- c) **Ensure that members meet on a formal basis regularly to set the strategic direction of the authority and to monitor service delivery**

The Fire Authority's Audit and Performance Management Committee, which meets on a formal basis four times per year, considers a performance monitoring report at each of its meetings. The Strategy and Resources Committee meets on a formal basis five times per year to consider the strategic direction of the Fire Authority. Any recommendations regarding service delivery are then taken to the next meeting of the Fire Authority for consideration.

The Fire Authority also meets on a formal basis at least six times each year, when it considers the strategic direction of the Authority.

- d) **Develop and maintain a scheme of delegated or reserved powers, which should include a formal schedule of those matters specifically reserved for the collective decision of the authority**

The Fire Authority has in place a Scheme of Delegation to Officers, which sets out those powers delegated to the Chief Fire Officer, Authority Solicitor and Treasurer. The Scheme also sets out those powers, which the Fire Authority does not delegate.

Each of the Fire Authority's committees has terms of reference, which state clearly the powers of that Committee.

e) Put in place clearly documented and understood management processes for policy development, implementation and review and for decision making, monitoring and control and reporting; and formal procedural and financial regulations to govern the conduct of the authority's business

The Fire Authority and Brigade operate within a clear and supportive management structure, which enables the organisation to remain focused on achieving its primary aims and objectives. The results achieved in its Best Value Performance Indicators demonstrate that the decision-making process of the Authority is effective.

Members of the Fire Authority and its senior personnel have role and job descriptions, which clearly document their respective duties and responsibilities.

The Fire Authority has in place comprehensive Standing Orders covering:

- The Regulation of Proceedings and Business
- Contracts
- The Regulation of Financial Matters and Financial Regulation.

These Standing Orders govern the processes to be adopted in conducting the Fire Authority's business and are further supported by Committee constitutions and more detailed protocols and notes of guidance.

f) Put in place arrangements to ensure that members are properly trained for their roles and have access to all relevant information, advice and resource as necessary to enable them to carry out their roles effectively

When joining the Fire Authority members are issued with a Handbook, which covers all aspects of the Authority's business in a user-friendly format. The Handbook is revised at least annually and copies of the revisions provided to all members.

Regular meetings take place between senior officers and the Chair and Vice-Chair of the Fire Authority to keep them advised of major developments. There are also dedicated officers (the Corporate Services Manager, Senior Management Support Officer and Management Support Officers), who provide advice on procedural issues and secretarial support to members. In addition members attend one-to-one meetings with senior officers to ensure that they have full understanding of key issues.

The Clerk to the Fire Authority (who is also the Monitoring Officer) ensures that every Member receives training in the Code of Conduct and provides advice on declaring and registering interests and procedural issues.

Members regularly attend training seminars and conferences to keep them up-to-date with new legislation and to network with other fire authority members and member training seminar dates are scheduled into the Fire Authority diary each year.

The Fire Authority has agreed a process for the personal development review of all of its members and independent members of its Standards Committee, was introduced in May 2006. Any training needs identified by the review are addressed through provision of appropriate training.

- g) Ensure that the role of the Executive members are formally defined in writing to include responsibility for providing effective strategic leadership to the authority and for ensuring that the authority successfully discharges its overall responsibilities for the activities of the organisation as a whole**

The Fire Authority does not operate executive arrangements. The full Authority is, therefore, responsible for providing effective strategic leadership.

- h) Ensure that the roles and responsibilities of all members of the authority, together with the terms of their remuneration and its review, are clearly defined in writing**

The Fire Authority has in place written role descriptions, which clearly define the roles and responsibilities of its Members, Chair, Vice-Chair, Leader of the Opposition Group, Chair of the Integrated Risk Management Planning Members' Working Group, Independent members of its Standards Committee and Member Champions. The role descriptions also set out the basic allowance and special responsibility allowances payable to members.

Full details of all of the allowances payable to members are given in the Scheme for the Payment of Members' Allowances contained within the Fire Authority Handbook. Review of allowances is also dealt with in the Scheme.

- i) Ensure that the Chief Fire Officer is made responsible to the authority for all aspects of operational management**

The Job Description of the Chief Fire Officer and Scheme of Delegation to Officers state that the Chief Fire Officer is responsible for taking and implementing decisions that are concerned with the operational effectiveness of the Fire and Rescue Service.

A procedure is in place for the performance of the Chief Fire Officer, which is linked to the strategic aims and corporate objectives of the Fire Authority, to be assessed annually by the Chair and Vice-Chair of the Authority.

- j) Ensure that a senior officer is made responsible to the authority for ensuring that appropriate advice is given to it on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control**

The Treasurer is the Fire Authority's most senior professional finance officer and a member of the senior management team in the Brigade. The post of Treasurer is identified in the Shropshire Fire Services (Combination Scheme) Order 1997 with responsibility for the combined fire service fund, as amended by subsequent legislation enabling the Fire Authority to become self-precepting. As such, the Treasurer is the officer responsible for the proper administration of the financial affairs of the Fire Authority (in effect the equivalent of the section 151 officer).

The Job Description of the Treasurer sets out clearly his role and responsibilities. The Scheme of Delegation to Officers and Standing Orders for the Regulation of Financial Matters and Financial Regulation also stipulate the responsibilities of the Treasurer.

In the absence of the Treasurer, the Principal Accountant, as deputy section 151 officer, undertakes the responsibilities outlined above.

- k) Ensure that a senior officer is made responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with**

The Fire Authority has an agreement with Borough of Telford & Wrekin for the provision of Clerk and Monitoring Officer services. The agreement sets out the scope of work of the Clerk and Monitoring Officer and stipulates that this work will be conducted by the current Head of Legal and Democratic Services of the Borough of Telford & Wrekin. In her absence the role is undertaken by the Fire Authority's Deputy Monitoring Officer, who is currently the Head of Legal Services at Borough of Telford & Wrekin.

- l) Ensure that the roles and responsibilities of all senior officers, together with the terms of their remuneration and its review, are clearly defined in writing**

The roles and responsibilities of all senior officers are clearly defined in job descriptions and delegations to specific officers are documented in the Scheme of Delegation to Officers. The terms of officers' remuneration, including its review, are defined in their contracts of employment. For Principal Officers a review of remuneration is carried out by the Fire Authority's Principal Officers Employment Panel.

- m) Adopt clear protocols and codes of conduct to ensure that the implications of supporting community political leadership for the whole authority are acknowledged and resolved**

The Fire Authority has in place a Model Code of Conduct for Members and Standards Committee procedures, together with more detailed protocols and notes of guidance for members, contained in the Fire Authority Handbook for members.

Risk Management and Internal Control

The Fire Authority will:

- a) **Develop and maintain robust systems for identifying and evaluating all significant risks which involve the proactive participation of all those associated with planning and delivering services**

The Fire Authority has embedded a robust system for identifying and evaluating all significant risks, which is tied in with producing its ~~Statement on Internal Control (SIC)~~ **Annual Governance Statement (AGS)** and **SIC-AGS** Improvement Plan. The Brigade's senior management team proactively participates in the process, which involves the following steps:

- The Fire Authority defines its objectives;
- The risks to achieving those objectives are identified;
- The way those risks are controlled is identified;
- Assurances are obtained about the effectiveness of the key controls;
- Any weaknesses or gaps in the key controls are evaluated;
- An action plan is produced to address any gaps or weaknesses; and
- The Fire Authority produces a clear statement on its internal controls.

As part of this process all reports to the senior management team and to the Fire Authority must consider any significant risk implications. These are also a standing item on the agenda for each senior management team meeting. In addition the Fire Authority maintains and regularly reviews a Corporate Risk Register, which sets out and evaluates all significant risks identified.

Furthermore, regular assessment of risk is paramount to the successful outcome of significant programmes and projects within the Service. This is achieved through the effective implementation of PRINCE2 project management methodologies.

On a regional level, this Fire Authority and other constituent authorities of the West Midlands Regional Management Board continue to explore opportunities for greater collaboration in Integrated Risk Management Planning to enhance risk reduction in the community.

- b) **Put in place effective risk management systems, including systems of internal control and an internal audit function. These arrangements need to ensure compliance with all applicable statutes, regulations and relevant statements of best practice and need to ensure that public funds are properly safeguarded and used economically, efficiently and effectively, and in accordance with statutory and other authorities that govern their use.**

The Fire Authority's internal control environment comprises many systems, policies, procedures and operations in place to:

- Establish and monitor the achievement of the Authority's objectives
- Facilitate policy and decision making
- Ensure compliance with established policies, procedures, laws and regulations
- Identify, assess and manage the risks to the Authority's objectives
- Ensure the economical, effective and efficient use of resources, and secure continuous improvement in the way in which the Authority's functions are exercised, having regard to a combination of economy, efficiency and effectiveness as required by the Best Value duty
- Provide appropriate financial management of the Authority and the reporting of financial management
- Ensure adequate performance management of the Authority and the reporting of performance management.

The Brigade's Risk Management Group is responsible for ensuring that the Fire Authority has an effective and efficient risk management process in place. The Group meets at least quarterly and reports to the Brigade's senior management team and to the Fire Authority. The Brigade's Claims Management Group considers risk and claims with a view to preventing accidents and claims in the future and thereby improving the working environment for employees.

Internal Audit undertakes a number of planned risk-based reviews of various elements of the systems and internal control procedures across a range of functions in the Authority. Each review contains an opinion on the internal controls in place and any unsatisfactory audit opinions result in recommendations for improvement, which are implemented by management. Copies of these reviews are sent to the Authority's Treasurer and discussed with the External Auditors. Internal Audit work is guided by, and reflects, professional best practice, in particular the Chartered Institute of Public Finance and Accountancy Code of Practice on Local Government Internal Audit.

The Fire Authority conducts, at least annually, a review of the effectiveness of the system of internal control and produces an '~~Statement on Internal Control~~' (SIC) '**Annual Governance Statement**' (AGS), which is published with the Statement of Accounts. This review is informed by the work of:

- The Authority's Monitoring Officer
- Legal advisors to the Authority
- Internal Auditors

The Brigade's senior management team proactively participates in the process used to develop the SIC-AGS, which involves the following steps:

- The Fire Authority defines its objectives
- The risks to achieving those objectives are identified
- The way those risks are controlled is identified
- Assurances are obtained about the effectiveness of the key controls

- Any weaknesses or gaps in the key controls are evaluated
- An action plan is produced to address any gaps or weaknesses and
- The Fire Authority produces a clear statement on its internal controls.

Comments made by the External Auditors and other review agencies and inspectorates in their Annual Audit Letters and other reports also contribute to this review and the resulting **SIG AGS** Improvement Plan, which is produced in tandem with the Statement.

c) Ensure that services are delivered by trained and experienced people

The Fire Authority has a well established and documented recruitment process. All posts have job descriptions and person specifications, or PQA (personal qualities and attributes) documents, detailing the essential and desirable abilities, qualifications and experience necessary to undertake the duties of the post.

The Fire Authority has obtained and retained 'Investors in People' accreditation for 7 years, which recognises the organisation's commitment to train and develop its staff. Staff *individual* personal development ~~and appraisal~~ reviews take place at least once a year, when development needs are identified and appropriate training *and/or development* provided.

The Fire Authority has its own dedicated training centre, which not only focuses upon firefighting activities but has also been instrumental in gaining approved centre status from two national vocational qualification *awarding* bodies. This status recognises that the organisation has the quality processes, procedures and staff in place to deliver a wide range of vocational qualifications, including management, administration, ~~call handling~~ and training and development. The training centre is supplemented by several satellite training facilities, strategically sited throughout Shropshire to ensure accessibility of quality training to all staff. The availability of county based training facilities plays a major role in delivering quality training tailored to local needs.

Furthermore, the Fire Authority's full participation in Assessment *and* Development Centres for the Fire and Rescue Service ensures that it has a robust process for identifying those with the potential to progress through supervisory, middle and strategic levels.

d) Put in place effective arrangements for an objective review of risk management and internal control, including internal audit

A review of systems of internal financial control forms part of the annual audit conducted by the Audit Commission. The Annual Audit letter states each year whether or not any significant weaknesses were identified in the systems of internal financial control.

Internal Audit is also considered annually by the Audit Commission. In its Annual Audit Letter the Audit Commission states whether it is satisfied with the quality and coverage of Internal Audit's work.

The Fire Authority maintains and reviews its system of internal control in a number of ways. In particular the Authority has received and/or adopted:

- Performance Plan targets
- Procurement Strategy and Contract Standing Orders
- Standing Orders for the Regulation of Financial Matters and Financial Regulation
- Annual Statement of Accounts
- ~~Statement on Internal Control~~ **Annual Governance Statement** and Improvement Plan
- Risk Management Policy Statement
- Treasury Management Policy
- Prudential Guidelines
- External Auditor's Annual Letter
- Budget monitoring reports
- Performance reports
- Medium-term financial strategy and budget
- Annual External Audit plans
- Comprehensive Performance Assessment report
- Use of Resources Assessment
- Service Assessment
- Direction of Travel Assessment

The Authority's senior management team carries out a continuous assessment of the implementation of policies and procedures throughout the organisation, including following up on progress against the improvement plan derived from the ~~Statement on Internal Control~~ **Annual Governance Statement**.

e) Maintain an objective and professional relationship with external auditors and statutory inspectors

Regular meetings take place between the Fire Authority's Chief Fire Officer, Treasurer and Principal Accountant and Audit Commission personnel to agree approaches to work required and discuss key issues. The Annual Audit Letter is discussed with the Audit Commission and presented by the Commission to the Fire Authority.

During the Use of Resources, Service and Direction of Travel Assessments conducted in 2006 officers of the Fire Authority maintained a professional approach and accommodated all requests made by the Review Team and Audit Commission personnel.

f) Publish on a timely basis, with the ~~Performance Plan~~ **Statement of Accounts, an objective, balanced and understandable statement and assessment of the authority's risk management and internal control mechanisms and their effectiveness in practice**

An ~~Statement on Internal Control~~ **Annual Governance Statement**, which includes financial and other controls, risk management and the wider aspects of corporate governance, is published each year in the Annual Accounts.

Standards of Conduct

The Fire Authority will:

- a) **Develop and adopt formal codes of conduct defining the standards of personal behaviour to which individual members, officers, and agents of the authority are required to subscribe and put in place appropriate systems and processes to ensure that they are complied with**

Two corporate objectives associated with Strategic Aim 5 – Provide a service committed to the highest levels of equality and fairness – ~~fairness~~ **diversity** – state that we will:

- ~~• Provide a fair and equitable service to the communities of Shropshire~~
- ~~• Provide a fair, equitable and dignified place of work for all employees~~
- ***Provide and promote an equitable service to the communities of Shropshire and other stakeholders***
- ***Provide a just and dignified place of work for all employees, Members and visitors***

and are fundamental to all that the Fire Authority does.

The Fire Authority has a wide range of codes and policies for governing the conduct of members and officers including:

- Members' Model Code of Conduct
- Members' Protocol on Gifts and Hospitality
- Protocol on Member/Officer Relations
- Standards Committee Procedures
- Gender Equality Scheme
- Disability Equality Scheme
- Positive about Disabled People Statement
- Race Equality Scheme
- Brigade Order on Equality of Opportunity and Fairness at Work
- Brigade Order on Employment Policies
- Positive Action Statement
- Brigade Order on Whistle Blowing
- Brigade Order on Gifts and Hospitality for Officers
- Anti-Fraud and Corruption Strategy
- Health and Safety Policy
- Brigade Order on Information, Communications and Technology
- Employee Code of Conduct
- Standards of Dress and Appearance
- Smoking in the Work Place

- Alcohol and Employment
- Substance Misuse and Employment
- Ethical Procurement Policy

The Fire Authority's Standards Committee has a remit and process to deal with breaches of the Members' Model Code of Conduct. For staff there is a clear and fully documented disciplinary process to deal with misconduct.

The Fire Authority has a well-established complaints procedure, which details how complaints should be handled and monitors the process. The Complaints Log, containing all complaints made, is available to members at each meeting of the Fire Authority and an annual report is taken to the Authority, outlining the complaints made, action taken and lessons learned.

b) 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 and put in place appropriate processes to ensure that they continue to operate in practice

The Members' Model Code of Conduct stipulates that members of the Fire Authority must not be influenced by prejudice, bias or conflicts of interest in any matter relating to the Authority. Declarations of interest appear as a standing item on the agenda for all Fire Authority meetings and meetings of its committees. Each member, including independent members of the Fire Authority's Standards Committee, must complete a Register of Interests, which is held at Brigade Headquarters and is open to public inspection. The Register is updated as necessary and at least annually.

Officers are required to declare formally any interest in contracts or proposed contracts. The Brigade also has in place a system for registering the business interest of its most senior officers and those involved in financial matters. In this way the Fire Authority ensures that its members and officers are not involved in decisions or processes, in which they may have a conflict of interest.

c) Put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and to monitor their continuing compliance in practice

The Fire Authority has the following codes and policies for members and officers:

- Members' Model Code of Conduct
- Members Protocol on Gifts and Hospitality
- Protocol on Member/Officer Relations
- Standards Committee Procedures
- Employee Code of Conduct
- Gender Equality Scheme

- Disability Equality Scheme
- Positive about Disabled People Statement
- Race Equality Scheme
- Brigade Order on Equality of Opportunity and Fairness at Work
- Brigade Order on Employment Policies
- Positive Action Statement
- Gifts and Hospitality for Officers
- Brigade Order on Whistle Blowing
- Anti-Fraud and Corruption Strategy
- Ethical Procurement Policy

These documents are based on Government guidance and best practice and lay down the standards expected of both members and staff. If breached, they will be properly investigated in accordance with Fire Authority's Standards Committee procedures, Brigade Orders, Guide to Complaints or disciplinary procedures. An annual report on breaches of the Members' Model Code of Conduct and on complaints received is taken to the Fire Authority.

d) Put in place arrangements for whistle blowing to which staff and all those contracting with the authority have access

The Brigade Order on Whistle Blowing actively encourages staff to 'blow the whistle' in situations where they believe there is wrongdoing and explains how they should do so. This policy is further reinforced by the Fire Authority's Anti-Fraud and Corruption Strategy. There is a standard clause in Fire Authority contracts advising contractors of the whistle blowing policy.