



ESSEX FIRE AUTHORITY

LOCAL CODE OF CORPORATE GOVERNANCE

Introduction

Essex 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 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 Essex Fire Authority are required to conduct themselves in accordance with high standards expected by the citizens of Essex.

Adoption and Review of the Code

The Framework document stresses that the 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 Assistant Chief Fire Officer (Director) Business Excellence has been given responsibility for overseeing the implementation and monitoring the operation of the code; reviewing the operation of the code in practice and reporting annually to the fire Authority on compliance with the code and any changes that may be necessary to maintain it and ensure its effectiveness in practice.

In addition, the Fire Authority's auditor has been given the responsibility to review independently and report to the Fire Authority annually, to provide assurance on the adequacy and effectiveness of the code and the extent of compliance with it.

The results of this review will form a part of the overall assurance for the Statement of Internal Control signed by the Fire Authority Chair and Chief Fire Officer.

Dimension 1 – Community Focus

Through carrying out their general and specific duties and responsibilities and their ability to exert wider influence, members and officers of the Essex Fire Authority will:

- Work for and with their communities
- Exercise leadership in their local communities, where appropriate
- Undertake an ‘ambassadorial’ role to promote the well-being of their area, where appropriate

Essex Fire Authority will therefore maintain effective arrangements:

- For explicit **accountability** to stakeholders for the authority’s performance and its **effectiveness** in the delivery of services and the sustainable use of resources
- To demonstrate **integrity** in the authority’s dealings in building effective relationships and partnerships with other public agencies and the private/voluntary sectors
- To demonstrate **openness** in all their dealings
- To demonstrate **inclusivity** by communicating and engaging with all sections of the community to encourage active participation
- To develop and articulate a clear and **up-to-date** vision and corporate strategy in response to community needs.

The Authority will:

1. Publish on a timely basis an annual report presenting an objective, understandable account of the Authority’s:

- Activities and achievements
- Financial position and performance

The reports will include statements:

- Explaining the Authority’s responsibility for 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

2. Publish on a timely basis a performance plan presenting an objective, balanced and understandable account and assessment of the Authority’s:

- current performance in service delivery
- plans to maintain and improve service quality

3. Put in place proper arrangements for the independent review of financial and operational reporting processes

4. 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.

5. Make an explicit commitment to openness in all of their dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so, and by their actions and communications deliver an account against their commitment

6. Establish clear channels of communications with all sections of their community and other stakeholders, and put in place proper monitoring arrangements to ensure that they operate effectively

7. 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

Dimension 2 - Service Delivery Arrangements

Members and officers of the Essex Fire Authority will ensure that continuous improvement is sought, agreed policies are implemented and decisions carried out by maintaining arrangements which:

- Discharge their **accountability** for service delivery at a local level
- Ensure **effectiveness** through setting targets and measuring performance
- Demonstrate **integrity** in dealing with service users and developing partnerships to ensure the 'right' provision of services locally
- Demonstrate **openness and inclusivity** through consulting with key stakeholders, including service users
- Are flexible so that they can be kept **up to date** and adapted to accommodate change and meet user wishes.

The Authority will:

1. Set standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality policies
2. Put in place sound systems for providing management information for performance management purposes
3. Monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans
4. Put in place arrangements to allocate resources according to priorities
5. Foster effective relationships and partnerships with other public sector agencies and the private and voluntary sectors, and considering 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
6. 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

Dimension 3 - Structures and Processes

The Authority will establish effective political and managerial structures and processes to govern decision-making and the exercise of authority within the Service. The Authority will maintain arrangements to:

- Define the roles and responsibilities of members and officers to ensure **accountability**, clarity and ordering of the Authority's business
- Ensure that there is proper scrutiny and review of all aspects of performance and **effectiveness**
- Demonstrate **integrity** by ensuring a proper balance of power and authority
- Document clearly such structures and processes and to ensure that they are communicated and understood to demonstrate **openness and inclusivity**.

The Authority will:

Balance of Power and Authority

1. Put in place clearly documented protocols governing relationships between members and officers
2. Ensure that the relative roles and responsibilities of executive and other members, members generally and senior officers are clearly defined

Roles and Responsibilities - Members

3. Ensure that members meet on a formal basis regularly to set the strategic direction of the Authority and to monitor service delivery
4. 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
5. 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
6. 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
7. Ensure that the role of the executive member/s is/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 Service as a whole
8. Ensure that the roles and responsibilities of all members of the Authority, together with the terms of their remuneration and its review are defined clearly in writing

Roles and Responsibilities - Officers

9. Ensure that the Chief Fire Officer is made responsible to the Authority for all aspects of operational management
10. 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

11. 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

12. 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

13. Adopt clear protocols and codes of conduct to ensure that the implications for supporting community political leadership for the whole Authority are acknowledged and resolved

Dimension 4 – Risk Management and Internal Control

Essex Fire Authority will establish and maintain a systematic strategy, framework and processes for managing risk. Together, these arrangements should:

- Include making public statements to stakeholders on the authority's risk management strategy, framework and processes to demonstrate **accountability**
- Include mechanisms for monitoring and reviewing **effectiveness** against agreed standards and targets and the operation of controls in practice
- Demonstrate **integrity** by being based on robust systems for identifying, profiling, controlling and monitoring all significant strategic and operational risks
- Display **openness and inclusivity** by involving all those associated with planning and delivering services, including partners
- Include mechanisms to ensure that the risk management and control process is monitored for continuing compliance to ensure that changes in circumstances are accommodated and that it remains **up to date**

The Authority will:

1. 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

2. Put in place effective risk management systems, including systems of internal control and 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 are used economically, efficiently and effectively, and in accordance with the statutory and other regulatory provisions that govern their use

3. Ensure that services are delivered by trained and experienced people

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

5. Maintain an objective and professional relationship with external auditors and statutory inspectors

6. Publish on a timely basis, within the annual report, an objective, balanced and understandable statement and assessment of the Authority's risk management and internal control mechanisms and their effectiveness in practice

Dimension 5 – Standards of Conduct

The openness, integrity and accountability of individuals within the Essex Fire Authority form the cornerstone of effective corporate governance. The reputation of the Authority depends on the standards of behaviour of everyone in it, whether members, employees or agents contracted to it.

Therefore, members and senior officers of a local authority will:

- Exercise leadership by conducting themselves as role models for others within the authority to follow
- Define the standards of personal behaviour that are expected from members and staff and all those involved in service delivery, and put in place arrangements to ensure:
 - **Accountability**, through establishing systems for investigating breaches and disciplinary problems and taking action where appropriate, including arrangements for redress
 - **Effectiveness** in practice through monitoring their compliance
 - That objectivity and impartiality are maintained in all relationships to demonstrate integrity
 - That such standards are documented and clearly understood to display **openness and inclusivity** and are reviewed on a regular basis to ensure that they are kept **up to date**

The Authority will:

1. Develop and adopt formal codes of conduct defining the standards of personal behaviour to which individual members, officers, employees and agents of the Authority are required to subscribe and put in place appropriate systems and processes to ensure that they are complied with
2. 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
3. Put in place arrangements to ensure that their procedures and operations are designed in conformity with appropriate ethical standards, and to monitor their continuing compliance in practice
4. Put in place arrangements for whistle blowing to which staff and all those contracting with the Authority have access