

# East Sussex Fire & Rescue Service

## Proposed Revised Local Code of Corporate Governance

### Introduction

- 1 Corporate governance is a term used to describe how organisations direct and control what they do. As well as systems and process this includes cultures and values. For local authorities this also includes how a Fire Authority relates to the communities that it serves. Good Corporate Governance requires local authorities to carry out their functions in a way that demonstrates accountability, transparency, effectiveness, integrity, impartiality and inclusivity. Corporate Governance is also the structure through which strategic objectives are set and performance monitored. Best practice principles in that regard flow from the Turnbull report, namely the assessment of corporate risk, effective management systems and the enabling of the organisational culture.
- 2 East Sussex Fire Authority (the Authority) is committed to demonstrating that it has the necessary Corporate Governance arrangements in place to perform effectively.
- 3 This Code is a public statement that sets out the way the Authority will meet that commitment. As such it represents a key component of the Authority's governance arrangements. The Code has been developed to be consistent with the CIPFA/SOLACE 2016 Framework "Delivering Good Governance in Local Government" and is based upon the seven principles of good governance:

**Principle A:** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

**Principle B:** Ensuring openness and comprehensive stakeholder engagement

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

**Principle D:** Determining the interventions necessary to optimise the achievements of the intended outcomes

**Principle E:** Developing the entity's capacity, including the capability of its leadership and the individuals within it

**Principle F:** Managing risks and performance through robust internal control and strong financial management

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

The Code also sets out the mechanisms for monitoring and reviewing the Authority's Corporate Governance arrangements.

### East Sussex Fire Authority's Corporate Governance Principles

**Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

- 4 The Authority will foster a strong culture based on our shared values of pride, accountability, integrity and respect. The Authority will achieve this by adopting, monitoring and keeping under review:

- a Code of Conduct for Members, built upon the Nolan Principles of Public Life;
- an Employee Code of Conduct;
- a Register of Members Interests;
- a register of Declarations of Conflicts of Interest and Declarations of Gifts and Hospitality accepted;
- induction programmes for both Officers and Members;
- a Competency Framework and Appraisal Scheme;
- an Inclusion, Equality and Diversity Strategy;
- the roles of Members and Officers in decision-making;
- Anti-Fraud and Corruption policies allowing reporting and actioning; and
- a whistleblowing policy providing protection to individuals raising concerns.

5 Standards complaints will be considered by the Scrutiny and Audit Panel.

**Principle B: Ensuring openness and comprehensive stakeholder engagement**

6 The Authority will seek and respond to the views of stakeholders and the community. The Authority will do this by:

- publishing an annual Corporate Plan setting out our purpose and commitments to the community and the outcomes we intend to achieve;
- establishing a business planning process, including the development of a medium term finance plan;
- publishing regular reports of our performance against the Authority's key performance indicators, as set out in the Annual Plan;
- approving and implementing a comprehensive Communications & Consultation Strategy setting out a range of methods of engaging with the community and stakeholders, including those groups which are harder to reach;
- recognising that people are different and giving everyone the same or an equal opportunity to information, advice and support in ways that are suited to the needs or circumstances of the individual;
- producing clear guidance and a defined approach promoting good governance in our partnership working and collaborations;
- providing the public with the opportunity to ask questions, submit petitions or make representations to the Authority;
- publishing a Three Year Strategic Plan/Integrated Risk Management Plan (IRMP) providing information in relation to how the Authority delivers its services;
- providing a modern, effective IT strategy and solutions that meet the needs and aspirations of the organisation and the communities we serve.

7 The Authority understands the key role it has to play in supporting collaboration and partnership working within East Sussex and the City of Brighton & Hove and also the role our partners play in assisting the Authority to deliver on its objectives.

The Authority ensures good governance in respect of partnerships and collaboration by:

- Reviewing and evaluating partnerships on a regular basis;
- Auditing partnership and collaboration strategies and policies through internal audit; and

- Ensuring that partnerships and collaborations offer value and contribute to the Authority's strategic objectives.

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

8 The Authority will, in exercising Strategic Leadership, develop and communicate its purpose and vision and intended outcomes for citizens and service users. It will report regularly on activities, performance and the Authority's financial position. Timely, objective and understandable information relating to the Authority's activities, achievements, performance and financial position is provided through the publication of:

- a Three Year Strategic Plan/Integrated Risk Management Plan;
- a Medium Term Financial Plan;
- a clear framework for financial governance based on Contract Standing Orders and Financial Regulations;
- established budgeting systems, clear budget management guidance and regular reporting of financial performance against budget forecasts to Officers and Members;
- externally audited accounts;
- detailed performance information.

9 The Authority will aim to deliver high quality services to the public in an efficient and effective way. The Authority will do this by:

- delivering services to meet local needs through the Integrated Risk Management Planning process, and putting in place policies and procedures to ensure that they operate effectively in practice;
- developing effective relationships and partnerships with other public sector agencies and the private and voluntary sectors;
- actively pursuing and implementing collaboration opportunities with the Police, Ambulance and other Fire Services;
- responding positively to the findings and recommendations of external auditors, reviewers and statutory inspectors and putting in place arrangements for the implementation of agreed actions;
- comparing information about services with those provided by similar organisations, assessing why levels of efficiency, effectiveness and quality are different and considering alternative means of service provision, processes and procurement to maximise opportunities and improve value for money where appropriate.

**Principle D: Determining the interventions necessary to optimise the achievements of the intended outcomes**

10 The Authority will achieve this by:

- publishing a detailed Medium Term Financial Plan including actions to ensure financial sustainability;
- producing a performance management framework, ensuring plans are met and remedial action taken;
- putting processes in place to ensure that data quality is high, so as to enable objective and rigorous decision making;
- having monthly Senior Leadership Team (SLT) meetings together with regular Assistant Director meetings where issues are raised and actions agreed;

- having a risk management process to identify where interventions may be required;
- having a sound understanding of Service demand (current and future) informing resource allocation decisions.

**Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it**

11 The Authority will ensure that those charged with governance have the skills, knowledge and experience they need to perform well. The Authority will do this by:

- operating robust and transparent recruitment and selection processes;
- cascading regular information to Members and staff;
- arranging regular Member Seminars to provide a forum for sharing information, consultation, training and demonstration of operational procedures;
- providing resources that support Member and Officer development;
- promoting schemes supporting ongoing professional development;
- undertaking the annual appraisal of the Chief Fire Officer and setting objectives that contribute to the Authority's vision, strategy and plans and that incorporate key development needs.

12 The Authority will ensure that the necessary roles and responsibilities for effective Governance are identified and allocated through its Constitution so that it is clear who is accountable for decisions that are made. The Authority will do this by:

- electing a Chair, establishing Panels and nominating Member Leads with defined responsibilities;
- agreeing a clear scheme of delegated responsibilities to Senior Management;
- undertaking regular reviews of the Constitution;
- putting in place effective and comprehensive arrangements for the scrutiny of services;
- making the Chief Fire Officer responsible and accountable for all aspects of operational management;
- ensuring that at all times arrangements are in place for the proper administration of its financial affairs (S112 Officer);
- ensuring that at all times arrangements are in place for ensuring actions are taken in accordance with Statute and Regulation (Monitoring Officer);
- developing protocols to ensure effective communications between Members and Officers.

**Principle F: Managing risks and performance through robust internal control and strong financial management**

13 The Constitution sets out how the Authority operates, how decisions are made and the procedures which are followed to ensure that decisions are efficient, transparent and accountable to local people. Areas of potential change are identified and the Constitution is amended accordingly.

14 The Authority will operate a risk management strategy and risk management framework, taking account of both strategic and operational risks and ensuring that they are appropriately managed and controlled. This approach will aid the achievement of the Authority's strategic priorities, supports its decision making processes, and protect its

reputation and other assets and is compliant with statutory and regulatory obligations. The Authority will ensure that the risk management approach:

- enables a culture of risk awareness;
- formally identifies and manages risks;
- involves elected members in the risk management process;
- maps risks to financial and other key internal controls;
- documents and records details of risks in a risk management information system;
- monitors the progress in mitigating significant risks, and reports this to Members;
- reviews and, if required, updates its risk management process at least annually;
- considers risk within all projects.

15 The Scrutiny & Audit Panel has the responsibility of providing independent assurance of the risk management framework and the internal control environment. It provides an independent review of the Authority's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

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

16 The Authority will achieve this by:

- publishing relevant information relating to salaries, business interests and performance data on its website;
- having a Procurement team who provide advice and issue clear guidelines for procuring goods and services;
- having a Scrutiny & Audit Panel that operates in accordance with guidance provided by the Chartered Institute of Public Finance and Accountancy (CIPFA);
- publishing information to the Authority and its Panels as part of established accountability mechanisms;
- acting upon the findings or recommendations of Internal and External Audit Reports;
- preparing an Annual Governance Statement;
- preparing an annual Statement of Operational Assurance;
- preparing an annual Corporate Plan.

17 The Authority is committed to the publication of transparent performance information. This includes, but is not limited to:

- Budget reports;
- Operational performance reports;
- a Medium Term Financial Plan;
- Annual Corporate Plan;
- Statement of Accounts;
- Annual Governance Statement;
- Statement of Operational Assurance;
- Information as required under the Local Government Transparency Code.

## **Monitoring & Review**

- 18 The Assurance & Governance Group is responsible for monitoring Corporate Governance Arrangements and reviewing the progress on the governance issues contained within the Annual Governance Statement.
- 19 The Scrutiny & Audit Panel is responsible for arrangements relating to:
- Monitoring and reviewing risk, control and governance processes and associated assurance processes in order to ensure that Internal Control systems are effective and that policies and practices comply with statutory and other regulations and guidance;
  - Reviewing the accounts prior to approval by the Authority;
  - External Audit;
  - Internal Audit;
  - Risk management;
  - Making recommendations concerning relevant governance aspects of standing orders.
- 20 The Scrutiny & Audit Panel is also responsible for promoting high ethical standards across the Authority, overview of the Member and Officer codes and other relevant protocols.
- 21 The Scrutiny & Audit Panel will ensure that the Authority's governance arrangements are kept under continual review through:
- Reports prepared by officers with responsibility for aspects of this code;
  - The work of Internal Audit;
  - External Audit opinion;
  - Other review agencies and inspectorates;
  - Opinion from statutory officers.

## **Annual Governance Statement**

- 22 The Authority will publish an Annual Governance Statement (AGS) each year. This process is led by the Assurance & Governance Group and provides an overall assessment of the Authority's Corporate Governance arrangements and an appraisal of the key controls in place to manage principal governance risks. The AGS will also provide details of where improvements need to be made in accordance with the Accounts and Audit Regulations 2015.
- 23 The Annual Governance Statement will be published with the Authority's Statement of Accounts.