

COUNTY DURHAM AND DARLINGTON FIRE & RESCUE AUTHORITY

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 processes 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 three core components of the Turnbull report, namely; the assessment of corporate risk; effective management systems and the enabling of the organisational culture.
2. County Durham and Darlington 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 in accordance with and is consistent with the CIPFA / SOLACE 2016 Framework: Delivering Good Governance in Local Government and is based upon the following 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 optimize the achievement 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 public 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.

THE 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 culture of behaviour based on shared values, high ethical principles and good conduct. The Authority will do this by establishing and keeping under review:
 - The Authority's own values on Leadership as enshrined in the Three Year Strategic Plan and evidenced in Codes of Conduct that set standards for behaviour;
 - A Member Code of Conduct;
 - An Employee Code of Conduct;
 - A Register of Interests and declarations of Gifts and Hospitality accepted;
 - Equality and Diversity arrangements;
 - A Confidential Reporting policy;
 - The roles of Members and Officers in decision-making;
 - Appropriate and timely advice, guidance and training for both Members and Officers;
 - Systems for reporting and dealing with any incidents of fraud and corruption.
5. Standards complaints will be considered by the Authority's Finance and General Purposes Committee.

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:
 - Forming and maintaining relationships with the leaders of other organisations;
 - Ensuring partnership arrangements demonstrate clear and appropriate governance accountabilities;
 - Producing plans for service delivery within the community;
 - Having a Communications Strategy and providing access to a range of consultation methods, particularly to those groups which are harder to reach;
 - Using an approach that recognises that people are different and gives 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;
 - Encouraging and supporting the public in submitting requests for aspects of the Authority's Service to be scrutinised;
 - Providing and supporting ways for Citizens to present community concerns to the Authority;
 - Providing for the public the opportunity to ask questions or make representations to the Authority;
 - Publishing a Three Year Strategic Plan and Integrated Risk Management Plan (IRMP) providing information in relation to the Authority;
 - Continually developing clear channels of communication;

- Providing a modernised Information Communication and Technology Service that meets the needs and aspirations of the organisation and the communities we serve.
7. The Authority recognises the key role it has to play in supporting partnership working within County Durham and Darlington and also the role partners have to play in assisting the Authority to deliver on its objectives.

The Authority ensures good governance in respect of partnerships by:

- Reviewing and evaluating partnerships on a regular basis;
- Auditing partnership strategies and policies through the internal audit function;
- Ensuring partnerships 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 explain and report regularly on activities, performance and the Authority's financial position. Timely, objective and understandable information about the Authority's activities, achievements, performance and financial position will be provided. The Authority will do this by annually publishing:
- A Three Year Strategic Plan incorporating the Integrated Risk Management Plan;
 - A Medium Term financial Plan;
 - An Efficiency Plan;
 - 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 Three Year Strategic Plan and the Integrated Risk Management Plan, and putting in place policies and processes 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 collaboration opportunities with the Police, Ambulance and other Fire Services;
 - Responding positively to the findings and recommendations of external auditors 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 other alternative means of service provision and procurement to maximise opportunities and improve value for money where appropriate.

Principle D: Determining the interventions necessary to optimize the achievement of the intended outcomes;

10. The Authority will achieve this by:

- publishing a detailed medium term financial plan which includes actions to ensure financial sustainability;
- producing a performance management framework, to ensure plans are met and remedial action taken;
- having processes in place to ensure data quality is high, so as to enable objective and rigorous decision making;
- holding regular monthly Service Leadership Team (SLT) meetings together with weekly SLT catch up meetings where issues are raised and actions agreed upon;
- having a risk management process to identify where interventions may be required;
- having a sound understanding of demand (current and future) which informs 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 the governance have the skills, knowledge and experience they need to perform well. The Authority will do this by:

- Consistent application of the Workforce Strategy
- Operating robust recruitment and selection processes;
- Implementing Member Development strategies;
- Cascading regular information to Members and staff;
- Investing in Member and Officer Leadership training;
- 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 the effective governance of the Authority are identified and allocated so that it is clear who is accountable for decisions that are made. The Authority will do this by:

- Electing a Chair, establishing Committees and nominating Member Champions with defined responsibilities;
- Agreeing a scheme of delegated responsibilities to the Senior Management;
- Undertaking a regular review of the operation of the Constitution;
- Having 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 at all times arrangements are in place for the proper administration of its financial affairs (S151 Officer);
- Ensuring at all times arrangements are in place for ensuring actions are taken in accordance with Statute and Regulation (Monitoring Officer);
- Developing protocols that ensure effective communications between Members and Officers.

Principle F: Managing risks and performance through robust internal control and strong public 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 throughout the year and the Constitution is amended on an annual basis.
14. The Authority will operate a risk management approach that aids the achievement of its strategic priorities, supports its decision making processes, protects the Authority's 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 appropriate Members;
 - Reviews and, if necessary, updates its risk management processes at least annually;
 - Considers risk within major projects.
15. The Audit and Risk Committee has responsibility for monitoring and reviewing the risk, control and governance processes and associated assurance processes to ensure Internal Control systems are effective and that policies and practices are in compliance with statutory and other regulations and guidance. This includes considering the work of External Audit, Internal Audit and Risk Management and making recommendations concerning relevant governance aspects of the Constitution.

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 Officer who provides advice and issues clear guidelines for procuring goods and services;

- having an Audit and Risk Committee that operates in accordance with guidance provided by the Chartered Institute of Public Finance and Accountancy (CIPFA);
- publishing information to the Authority and its Committees as part of established accountability mechanisms;
- acting upon the findings/recommendations of Internal Audit and External Audit Reports;
- preparing an Annual Governance Statement;
- preparing an annual Statement of Assurance;
- preparing an annual Efficiency 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;
- Medium Term financial Plan;
- Efficiency plan;
- Statement of Accounts;
- Annual Governance Statement;
- Statement of Assurance;
- Information required under the Local Government Transparency Code.

MONITORING AND REVIEW

18. The Authority has a Committee that is responsible for monitoring and reviewing the various aspects of Corporate Governance arrangements.

19. The Audit and Risk Committee is responsible for arrangements relating to;

- Monitoring and reviewing the risk, control and governance processes and associated assurance processes to ensure Internal Control systems are effective and that Policies and practices are in compliance 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 Committee also has responsibility for promoting high ethical standards across the Authority, overview of the Member and officer codes and other relevant protocols.

21. This Committee will ensure that 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.

THE STATEMENT OF ASSURANCE

22. Each year the Authority will publish a Statement of Assurance. This process is managed by the Service Leadership Team and will provide 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 Statement will also provide details of where improvements need to be made in accordance with the Accounts and Audit Regulations 2015.
23. The Statement of Assurance will be published with the Authority's Statement of Accounts.