

HIGHLAND & ISLANDS FIRE BOARD

Local Code of Corporate Governance

1. Introduction

The term corporate governance came into common usage following the publication of the Cadbury Report on accountability and financial reporting in 1992. Corporate Governance is defined in the Cadbury Report as “the system by which organisations are directed and controlled”. Drawing on various factors including the work of Cadbury, the recommendations of the Nolan Committee, and the wider 21st century government agenda, a CIPFA /SOLACE working party produced a new corporate governance framework for Councils across the UK. The framework was published in May 2001 and endorsed by the Convention of Scottish Local Authorities and the Accounts Commission. Within the framework corporate governance is defined as “the system by which a Council directs and controls its functions and relates to its community”. To demonstrate good practice the Board has adopted the Local Code of Corporate Governance.

2. Framework for the Local Code of Corporate Governance Requirements of the Corporate Governance Framework

The Framework calls for authorities to:

- Review existing corporate governance arrangements against the new framework.
- Prepare an up to date local code of corporate governance.
- Implement the local code and ensure its ongoing relevance.
- Make a statement annually in the published accounts indicating how the authority is complying with the framework.

To a significant extent the Board already conforms with the principles of good governance but this local code of corporate governance has been produced to formalise the situation in compliance with the framework.

Principles of Good Governance

The Board fully supports the fundamental principles of good corporate governance, namely, openness and inclusivity, integrity and accountability. These principles are defined as follows:

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Openness and inclusivity

Openness is essential to ensure that all stakeholders have confidence in the decision-making process, management processes and individuals within the Board. In addition openness involves an inclusive approach with all stakeholders having the opportunity to engage effectively with the decision making process of the Board.

Integrity

Integrity is based on honesty, selflessness and objectivity and involves high standards of propriety and probity in the stewardship of public funds and management of the Board's affairs.

Accountability

Accountability is the process by which the Board, and its elected members and officers, are responsible for their actions and decisions.

Systems and Processes

The Board is committed to the integration of the above three principles of good governance with the conduct of the Board's business. Therefore systems and processes will be monitored for effectiveness in practice and be subject to regular review on a continuing basis.

Leadership

The concept of leadership overarches the principles of good governance and is vital if the principles are to be adhered to. The Board undertakes to exercise leadership through decision making and other actions that provide a vision and leadership for the local community and by the elected members and officers conducting themselves in accordance with high standards of conduct.

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Dimensions of Board Business

For successful implementation of the principles of corporate governance it is important the principles are reflected in each dimension of the Board's business. For the purpose of corporate governance the following five dimensions have been identified.

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

3. Elements of Corporate Governance

To achieve and demonstrate adherence to the principles of good governance the Board undertakes to meet a number of specific requirements for each dimension of its business. The detail for each specific requirement, criteria to be used as evidence and the means of demonstrating annual compliance are detailed in the attached tables

4. Annual Review and Reporting

This local code of corporate governance will be subject to an annual review following which the Treasurer, and Firemaster will sign the Statement of Internal Financial Control for inclusion within the annual accounts

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SCHEDULE TO ASSIST IN PUTTING PRINCIPLES INTO PRACTICE

DIMENSIONS OF A LOCAL AUTHORITY'S BUSINESS	Source documents/Process/ Other means within The Highland & Islands Fire Board which demonstrates effective compliance	Responsible officer:	Demonstration of Annual Compliance
<p style="text-align: center;">1 COMMUNITY FOCUS</p> <p>1(a) Local authorities should publish on a timely basis, an annual report that presents an objective, understandable account of the authority's activities and achievements, its financial position and performance, and improvement targets.</p>	<p>Firemaster's Annual Report Annual Accounts Service Plan</p> <p>Public Performance Report</p>	<p>Firemaster Treasurer Commander Technical Services Firemaster</p>	<p>Publication of target date of annual report. Publication of target date of annual accounts. Regular review.</p>
<p>1(b) Local authorities should publish on a timely basis an annual report presenting an objective, balanced and understandable account and assessment of the authority's current performance in service delivery and its plans to maintain and improve service quality.</p>	<p>Best Value Review Performance Indicators Functional and Service Plan reviews Public Performance Report</p>	<p>Commander Technical Services</p>	<p>Publish by target date</p> <p>Publish PI's by target date</p> <p>Publish services plans by target dates Publish Public Performance Report by target dates</p>

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1(e) Local authorities should 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	Standing Orders relating to conduct of meetings Publication Scheme (FOI) Board Meetings Board Plans and Mission Statement	Clerk to the Board Commander Technical Services Members/Clerk/Firemaster	Regular review Reviewed annually Agendas and minutes.
1(f) Local authorities should establish clear channels of communications with all sections of their community and other stakeholders, and put in place proper arrangements to ensure that they operate effectively	Communications/IT Strategy Staff Newsletter (IRMP) Staff Groups Website Community Plans	Commander Technical Services Asst Firemaster – Service Delivery Commander Technical Services Asst Firemaster – Service Delivery	Regular review Regular review Regular reviews Regular reviews Meeting with Community Councils

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<p>2 SERVICE DELIVERY ARRANGEMENTS</p> <p>2(a) Local authorities should set standards and targets for performance in the delivery of services</p>	<p>Service and Functional Plans Performance Indicators</p> <p>Best Value Reviews</p>	<p>Departmental Heads Commander Technical Services Head of Corporate Services</p>	<p>Reports to the Board Annual Report of PI's Reported to the Board</p>
<p>2(b) Local authorities should put in place sound systems for providing management information for performance measurement purposes</p>	<p>Performance Management System</p> <p>Service Plans Statutory PI's</p>	<p>Commander Technical Services</p> <p>Departmental Heads Commander Technical Services</p>	<p>Reports to the Board Reports for BWG Reports for IRMP Working Group Reported to the Board Reported to the Board and made available for public inspection</p>
<p>2(c) Local authorities should monitor and report performance against agreed standards and targets and develop a comprehensive and understandable performance plans</p>	<p>Brigade IRMP submission.</p> <p>Service plans Statutory PI's</p>	<p>Asst Firemaster – Service Delivery Departmental Heads Commander Technical Services</p>	<p>Reports to Board, BWG and IRMP Minutes of meetings Annual review by target date Regular review to ensure accuracy</p>

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2(d) Local authorities should put in place arrangements to allocate resources according to priorities	Three year budgeting process Service Plan	Head of Corporate Services Commander Technical Services	Board minutes
2(e) Local authorities should foster effective relationships and partnerships with other public sector agencies and the private and voluntary sectors in delivering services to meet the needs of the local community, and put in place processes to ensure that they operate effectively in practice	PPP initiative Well Being Alliance Regular attendance of senior officers at local Community Council Meetings	Deputy Firemaster Firemaster/Convener Senior Brigade Officers	
2(f) Local authorities should respond to the findings and recommendations of external auditors and statutory inspectors	Audit management letters and reports Inspectorate reports	Treasurer/Firemaster	Minutes of Board/BWG / IRMP Functional Plans

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<p>3 STRUCTURES AND PROCESSES</p> <p>Balance of Power and authority</p> <p>3(a) Local authorities should ensure that the roles and responsibilities of executive members, other members, and senior officers, are clearly defined, to ensure a proper balance of power and authority, such that no one individual has unfettered powers of decision making</p>	<p>Board Standing Orders Scheme of Delegation to Sub-Committees/Working Groups and Officers. Minutes of the Board Standing Orders relating to Contracts Job Specifications for Chief Officers</p>	<p>Clerk to the Board Clerk to the Board/Senior Officers etc Clerk to the Board Treasurer Clerk to the Board</p>	<p>Regular review Regular review Minutes Financial Regulations</p>
<p>3(b) Local authorities should put in place clearly documented protocols governing relations between members and officers</p>	<p>Standing Orders Scheme of Delegation to Sub-Committees/Working Groups and Officers Councillors' Code of Conduct Employees Code of Conduct</p>	<p>Clerk to the Board Clerk to the Board Clerk/Senior Officers etc Clerk to the Board Head of Corporate Services</p>	<p>Regular review and update Regular review and update Board Minutes</p>

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<p>Roles and Responsibilities – Members</p> <p>3(c) Members of local authorities should meet on a formal basis regularly, retain full and effective control over the authority and monitor service delivery.</p>	<p>Standing Orders for Conduct of Meetings Schedule of Board meetings Financial standards and regulations Board Minutes</p>	<p>Clerk to the Board Clerk to the Board Firemaste/Treasurer Clerk to the Board</p>	<p>Review and update as required Annual Review Review and update as required</p>
<p>3(d) Local authorities should develop and maintain up to date, 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.</p>	<p>Scheme of Delegation to Sub-Committees/Working Groups and Officers.</p>	<p>Clerk to the Board</p>	<p>Review annually</p>

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3(e) Local authorities should 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.	Standing Orders for the conduct of meetings Financial Regulations and Contract Standing Orders Service profile Service Plan Budget and Service Planning Best Value Reviews	Clerk to the Board Treasurer/Firemaster ? Commander Technical Services Commander Technical Services	Budget working Group minutes Board minutes
3(f) Local authorities should put in place arrangements to ensure that members are properly trained for their roles and have access to all such relevant information, advice and resource as necessary to enable them to carry out their role effectively.	Councillors' training is provided by Constituent Councils. Induction day training for members at the start of each new council Ongoing training in Ethical Standards in relation to Code of Conduct	Clerk to Board Clerk to Board Clerk to Board	Review uptake annually Review uptake annually

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3(g) The role of the executive member(s) of the authority should formally be 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	Terms of reference/delegations Members allowance scheme(constituent councils) Councillors' Code of Conduct	Clerk to Board Clerk to Board	Review and approve changes via Board Review as appropriate Review and update
3(h) The roles and responsibilities of all members of the local authority, together with the terms of their remuneration and its review, should be defined clearly in writing	Terms of reference/delegations Members allowance scheme(constituent councils)	Clerk to Board Clerk to Board	Review and approve changes Review as appropriate
Roles and Responsibilities – Officers 3(i) A chief executive or equivalent should be made responsible to the authority for all aspects of executive management	The Firemaster is responsible to the Board for effective delivery of the fire service Scheme of delegation Conditions of employment, Job Description or specification for Firemaster Performance Management systems Service plan	Firemaster Clerk to Board Board Commander Technical Services	Annual statement Review and update Regular reviews and updates Regular reviews Records of performance

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		Annual Report
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DIMENSIONS OF A LOCAL AUTHORITY'S BUSINESS	Source documents/Process/ Other means within The Highland & Islands Fire Board which demonstrates effective compliance	Responsible officer:	Demonstration of Annual Compliance
3(j) A senior officer should be 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.	<p>Budget documentation</p> <p>Scheme of Delegation summarises roles and responsibilities of Treasurer</p> <p>Statutory provision for annual accounts</p> <p>Financial Regulations</p> <p>Independent Advice from Board Treasurer.</p>	<p>Head of Corporate Services Clerk to Board</p> <p>Treasurer</p> <p>Treasurer/Head of Corporate Services Treasurer</p>	<p>Regular reports to Board</p> <p>Annual statement</p> <p>Regular reviews</p> <p>Publish by statutory date</p> <p>Role and responsibilities set out in legislation, summarised in Scheme of Delegation and reported to Board</p>
3(k) A senior officer should be made responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations and other relevant statements of good practice are complied with.	<p>Appointment of Clerk to Board and Monitoring Officer in accordance with Statutory provision</p>	Board.	<p>Review and update</p> <p>Appointment of monitoring officer</p> <p>Annual statement</p>
3(l) The roles and responsibilities of all senior officers, together with the terms of their remuneration and its review, should be defined clearly in writing.	<p>Job descriptions/specifications</p> <p>Pay and conditions of service</p> <p>Members / Officer Protocol as contained in Code of Conduct</p>	Firemaster	<p>Review regularly and update</p> <p>Regular review</p>

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<p>4 RISK MANAGEMENT AND INTERNAL CONTROL</p> <p>4(a) Local authorities should 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 of services</p>	<p>Integrated risk management plan Operational risk assessments Service Continuity Planning Initiative Asbestos Register and Controls Health and Safety and Statutory Regulations</p> <p>Risk Management Policy Committee Reports</p>	<p>Commander IRMP Commander CRM Commander CRM Commander CRM Commander Technical Services Commander CRM ??</p>	<p>Agendas / minutes</p> <p>Review and update Board minutes</p>
<p>4(b) Local authorities should 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 and regulations, and other 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 authorities that govern their use</p>	<p>Financial standards and regulations</p> <p>Internal audit agency arrangements Internal audit plan</p> <p>scheme of delegation Performance appraisal Reports to the Board, BWG and IRMP</p>	<p>Treasurer/Head of Corporate Services</p> <p>Head of Corporate Services/Head of Internal Audit Clerk to Board Commander Technical Services</p>	<p>Review and update annually</p> <p>Annual Planning memorandum Review and update Review schemes and update</p>
<p>4(c) Local authorities should ensure that services are delivered by trained and experienced people</p>	<p>Job description/personal specifications Training plan</p> <p>Recruitment procedures</p>	<p>Firemaster Commander – Training and Development Commander Technical Services/Personnel Adviser</p>	<p>Job descriptions for all staff Training records maintained Appropriate criteria for recruitment</p>

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4(d) Local authorities should put in place effective arrangements for an objective review of risk management and internal control, including internal audit, to ensure effectiveness in practice	Reports to IRMP and BWG Objective review of arrangements by Highland Council Audit Service Risk Management Reports	Commander IRMP Head of Internal Audit Commander IRMP	Annual review Review and update Minutes of meetings Minutes of meetings
4(e) Local authorities should maintain an objective and professional relationship with their external auditors and statutory inspectors.	Attendance at Board Audit reports Annual audit letter Audit Planning Memorandum	Audit Scotland/Treasurer/Firemaster	Minutes of meetings All reports to Committees – public record
4(f) Local authorities should 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	Annual report and statement of accounts Annual report by Head of Audit, Highland Council Risk Management Reports	Treasurer Head of Internal Audit Head of IRMP/Internal Audit	Annual statement of compliance Minutes of meetings Minutes of meetings

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<p style="text-align: center;">5 STANDARDS OF CONDUCT</p> <p>5(a) Local authorities should develop and adopt formal codes of conduct defining the standards of personal behaviour, to which individual members, officers, and agents of the authority should be required to subscribe and put in place appropriate systems and processes to ensure that they are complied with in practice.</p>	<p>Councillors' Code of Conduct – provided via Constituent Councils</p> <p>Board wide complaints system Code of Conduct for Employees</p> <p>Fraud and Corruption Policy Public Interest Disclosure Register of Staff Interest (being introduced 2004)</p>	<p>Clerk to Board</p> <p>Clerk to Board Head of Corporate Services Head of Corporate Services</p>	<p>Regular training and update on new guidance issued by Standards Commission. Regular monitoring</p>
<p>5(b) Local authorities should 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.</p>	<p>Financial regulations Standing orders Disciplinary Code Finance Rules Register of staff interest Code of Conduct for Staff Register of Members' Interests</p>	<p>Firemaster/Treasurer</p>	<p>Regular review Regular review Regular review Regular review Audit of registers</p> <p>Half yearly update with Members</p>

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5(c) Local authorities should 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.	The Board, its Sub-Committees and Working Groups	Clerk/Firemaster	Minutes and terms of reference
5(d) Local authorities should put in place arrangements for whistle blowing to which staff and all those contracting with the Board have access.	Public Interest Disclosure Policy.	Head of Corporate Services	Regular review of effectiveness.