

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT COMMITTEE

11 JANUARY 2010

1. **GOVERNANCE STANDARDS – THE CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA) AND THE SOCIETY OF LOCAL AUTHORITY CHIEF EXECUTIVES (SOLACE) – UPDATE ON PROGRESS – ACTION PLAN**

Joint report of the Chief Fire Officer, the Clerk and the Treasurer.

RECOMMENDED

- 1.1 THAT the Committee note the progress made by officers in addressing the gap analysis presented by officers at the Audit Committee held on 8 June 2009 (see Appendix I).
- 1.2 THAT the Committee approve the Action Plan aimed at addressing the gaps in compliance with level 5 of each section, as identified in the self-assessment (see Appendix II).

2. **PURPOSE OF REPORT**

This report is submitted to advise the Committee of the proposed Action Plan to address actions identified by the gap analysis identified in the self-assessment of the above document.

3. **BACKGROUND**

- 3.1 The Authority at its meeting on 23 June 2008 adopted the Governance Statement 2007/08 which had been prepared in accordance with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'.
- 3.2 Further consideration was given to the detail of the Framework document in preparing the Governance Statement for 2008/09. The Framework document suggests that authorities should undertake regular, at least annual, reviews of their governance arrangements to ensure continuing compliance with best practice as set out in the framework.

Such reviews should be reported to the Audit Committee, and reported externally with the published accounts, to provide assurance that:

- governance arrangements are adequate and operating effectively in practice, or
- where reviews of governance arrangements have revealed gaps, action is planned that will ensure effective governance in the future.

The framework document also suggests that the process of preparing the governance statement should itself add value to corporate governance and should be submitted to the Authority for consideration.

The framework defines the principles which should underpin the governance of local government bodies and suggests that authorities should test their structures against these principles; identify any gaps; and indicate how those gaps will be addressed. The Framework document poses a number of questions for authorities to address to assist this process.

- 3.3 As part of the self-assessment of the Audit Committee, one of the questions posed relates to the use of the CIPFA/SOLACE Governance Guidance Framework to ensure Authorities are delivering the very best in terms of governance arrangements.
- 3.4 Attached as Appendix 1 to this report is a list of the requirements stated by that guidance framework and the responses given by officers from Corporate Services and Finance and advice given by Internal Audit and the Clerk's Section. The self-assessment is based on a score of between 1 and 5, with 5 being excellent and 1 being poor. Any score less than 5 was identified as a gap in compliance.
- 3.5 Where officers have self-assessed at less than 5, Appendix II shows the full details including the perceived gap, the action required to fill the gap and the timescale. Appendices I and II have been cross referenced so Members can see that all those that scored less than 5 are being actioned.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out as it does not represent a change in policy.

5. **LEGAL IMPLICATIONS**

The preparation and publication of an annual governance statement in accordance with the 'Delivering Good Governance in Local Government Framework' is necessary to meet the statutory requirements set out in Regulation 4(2) of the Accounts and Audit (Amendment) (England) Regulations 2006.

6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

BACKGROUND PAPERS

Delivering Good Governance in Local Government - Framework –
CIPFA/SOLACE

VIJ RANDENIYA
CHIEF FIRE OFFICER

SUSAN PHELPS
CLERK

S KELLAS
TREASURER

APPENDIX I

REQUIREMENTS

	Self- Assessment Score
To develop and promote the Authority's purpose and vision	5
To review on a regular basis, the Authority's vision for the local area and its impact on the Authority's governance arrangements	5
1.A.3 To ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties	4
To publish an annual report on a timely basis to communicate the Authority's activities and achievements, its financial position and performance	5
1.B.1 To decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available	4
To put effective arrangements in place to identify and deal with failure in service delivery	5
1.C.1 To decide how value for money is to be measured and make sure that the Authority or partnership has the information needed to review value for money and performance effectively	4
1.C.2 To measure the environmental impact of policies, plans and decisions.	4
To set out a clear statement of the respective roles and responsibilities of the Executive and of the Executive's Members individually and the Authority's approach towards putting this into practice	5
To set out a clear statement of the respective roles and responsibilities of other Elected Members holding positions of responsibility, Members generally and senior officers	5
To determine a scheme of delegation and reserve powers within the Constitution, including a formal schedule of those matters specifically reserved for collective decisions of the Authority, taking account of relevant legislation and ensure that it is monitored and updated when required	5

	To make a Chief Executive or equivalent responsible and accountable to the Authority for all aspects of operational management	5
2.B.3	To develop protocols to ensure that the Leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained	4
	To make a senior officer (the Section 151 Officer) responsible to the Authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts and for maintaining an effective system of internal financial control	5
	To make a senior officer responsible to the Authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with	5
2.C.1	To develop protocols to ensure effective communication between Members and officers in their respective roles	4
	To set out the terms and conditions for remuneration of Members and officers and an effective structure for managing the process, including an effective remuneration panel	5
	To ensure that effective mechanisms exist to monitor service delivery	5
2.C.4	To ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms and in consultation with the local community and other stakeholders, and that they are clearly articulated and disseminated	4
2.C.5	When working in partnership, to ensure that Members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Authority	4
2.C.6	When working in partnership, to ensure that there is clarity about the legal status of the partnership	4
2.C.7	When working in partnership, to ensure that representatives or organisations both understand and make clear to all other partners, the extent of their authority to bind their organisation to partner decisions	4
	To ensure that the Authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect	5

3.A.2	To ensure that standards of conduct and personal behaviour expected of Members and officers, of work between Members and staff and between the Authority, its partners and the community are defined and communicated through codes of conduct and protocols	4
	To put arrangements in place 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 that appropriate processes are in place to ensure that the arrangements continue to operate in practice	5
3.B.1	To develop and maintain shared values including leadership values for both the organisation and staff, reflecting public expectations and communicate these to Members, staff, the community and partners	4
	To put arrangements in place to ensure that systems and processes are designed in conformity with appropriate ethical standards and monitor their continued effectiveness in practice	5
	To develop and maintain an effective Standards Committee	5
	To use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the Authority	5
3.B.5	In pursuing the vision of a partnership, to agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively	4
	To develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the Authority's performance overall and that of any organisation for which it is responsible	5
	To develop and maintain open and effective mechanisms for documenting evidence and decisions and recording the criteria, rationale and considerations on which decisions are based	5
	To put in place arrangements to safeguard Members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice	5
	To develop and maintain an effective Audit Committee which is independent of the Executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a Committee	5

	To ensure that effective, transparent and accessible arrangements are in place for dealing with complaints	5
4.B.1	To ensure that those making decisions whether for the Authority or the partnership are provided with information that is fit for the purpose, relevant, timely and gives clear explanations of technical issues and their implications	4
	To ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately	5
4.C.1	To ensure that risk management is embedded into the culture of the Authority, with Members and managers at all levels recognising that risk management is part of their jobs	4
4.C.2	To ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the Authority have access	4
	To actively recognise the limits of lawful activity placed on the Authority by, for example, the ultra vires doctrine but also strive to utilise powers to the full benefit of the local community	5
	To recognise the limits of lawful action and observe both the specific requirements of legislation and the generic responsibilities placed on local authorities by public law	5
	To observe all specific legislative requirements placed upon the Authority as well as the requirements of general law and in particular, to integrate the key principles of good administrative law – rationality, legality and natural justice – into its procedures and decision-making processes	5
5.A.1	To provide induction programmes tailored to individual needs and provide opportunities for Members and officers to update their knowledge on a regular basis	4
	To ensure that the Statutory Officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the Authority	5
5.B.1	To assess the skills required by Members and officers and make a commitment to develop those skills to enable roles to be carried out effectively	4
5.B.2	To develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed	4

5.B.3	To ensure that effective arrangements are in place for reviewing the performance of the Executive as a whole and of individual Members and agreeing an action plan which might, for example, aim to address any training or development needs	4
5.C.1	To ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, or contribute to and participate in the work of the Authority	4
5.C.2	To ensure that career structures are in place for Members and officers to encourage participation and development	4
6.A.1	To make clear to itself, all staff and the community who the Authority is accountable to and for what	4
	To consider those institutional stakeholders to whom the Authority is accountable and assess the effectiveness of the relationships and any changes required	5
6.A.3	To produce an annual report on the activity of the scrutiny function	4
6.B.1	To ensure that clear channels of communication are in place with all sections of the community and other stakeholders and put in place monitoring arrangements to ensure that they operate effectively	4
	To hold meetings in public unless there are good reasons for confidentiality	5
6.B.3	To ensure that arrangements are in place to enable the Authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands	4
6.B.4	To establish a clear policy on the types of issues the Authority will meaningfully consult on or engage with the public and service users about, including a feedback mechanism for those consultees to demonstrate what has changed as a result	4
6.B.5	On an annual basis, to publish a performance plan giving information on the Authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of users in the previous period	4

- 6.B.6 To ensure that the Authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so 4
- 6.C.1 To develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making 4

APPENDIX II

Action Plan from CIPFA/SOLACE Governance Standards Document - as approved at the Audit Committee on 8th June 2009			
Requirement	Action to Address Gaps in Compliance	Responsible Person	Completion Date
3.B.1 To develop and maintain shared values including leadership values for both the organisation and staff, reflecting public expectations and communicate these to members, staff, the community and partners	Include an article in Firepower (on a 6-monthly basis) to reinforce the Core Value to readers.	Preith Shergill	Ongoing
6.A.1 To make clear to itself, all staff and the community who the Authority is accountable to and for what	To include appropriate wording on the Fire Authority page on the website.	Admin Manager	July 2009 17/8/09 page amended
2.B.3 To develop protocols to ensure that the Leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained	No arbitration mechanism in existence between Chief Fire Officer and Chairman.	Clerk to the Authority	July 2009 S/O of the Authority approval at the AGM
2.C.1 To develop protocols to ensure effective communication between members and officers in their respective roles	Member – Officer relations document. Officers to consider a similar document in place in Sandwell MBC and adapt it as necessary.	Admin Manager	September 2009 Approved by Standards Committee 7/9/09
3.A.2 To ensure that standards of conduct and personal behaviour expected of members and officers, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols	Member-Officer relations document. Officers to consider a similar document in place in Sandwell MBC and adapt it as necessary.	Admin Manager	September 2009 Approved by Standards Committee 7/9/09
1.C.1 To decide how value for money is to be measured and make sure that the Authority or partnership has the information needed to review value for money and performance effectively	Consider a new performance management framework.	DCFO	September 2009 See email from Sally-Anne Chidwick confirming action

Requirement	Action to Address Gaps in Compliance	Responsible Person	Completion Date
6.A.3 To produce an annual report on the activity of the scrutiny function	Include a paragraph in the annual report on the Policy Planning Forum and other areas of activity which act as scrutiny.	Director (CS)	September 2009 See email from Alan Brandon 16/9/09
1.A.3 To ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties	<p>1. Work being carried out via the Operational Commanders with Group Manager John Rees to make sure that there is a more effective framework structure for partnership arrangements.</p> <p>2. Group Commander Rees to keep a central register of agreements with partners.</p>	John Rees	September 2009 and ongoing
2.C.5 When working in partnership, to ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Authority	As part of the overall partnership framework structure to ensure that there is clarity on roles and responsibilities.	John Rees	December 2009
2.C.6 When working in partnership, to ensure that there is clarity about the legal status of the partnership	<p>1. Work being carried out via Operational Commands with Group Manager John Rees to make sure that there is an effective framework structure for partnership arrangements.</p> <p>2. Group Commander Rees to keep a central register of agreements with partners.</p>	John Rees	March 2010

Requirement	Action to Address Gaps in Compliance	Responsible Person	Completion Date
2.C.7 When working in partnership, to ensure that representatives or organisations both understand and make clear to all other partners, the extent of their authority to bind their organisation to partner decisions	1. Work being carried out via Operational Commands with Group Manager John Rees to make sure that there is an effective framework structure for partnership arrangements. 2. Group Commander Rees to keep a central register of agreements with partners.	John Rees	December 2009 and ongoing
3.B.5 In pursuing the vision of a partnership, to agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively	1. Work being carried out via Operational Commands with Group Manager John Rees to make sure that there is an effective framework structure for partnership arrangements. 2. Group Commander Rees to keep a central register of agreements with partners.	John Rees	December 2009 and ongoing
4.B.1 To ensure that those making decisions whether for the Authority or the partnership are provided with information that is fit for the purpose, relevant, timely and gives clear explanations of technical issues and their implications	1. Work being carried out via Operational Commands with Group Manager John Rees to make sure that there is an effective framework structure for partnership arrangements. 2. Group Commander Rees to keep a central register of agreements with partners.	John Rees	December 2009
6.B.6 To ensure that the Authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so	1. Work being carried out via Operational Commands with Group Manager John Rees to make sure that there is an effective framework structure for partnership arrangements. 2. Group Commander Rees to keep a central register of agreements with partners.	John Rees	April 2010

Requirement	Action to Address Gaps in Compliance	Responsible Person	Completion Date
4.C.2 To ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the authority have access	Include Whistleblowing in the contract terms and conditions.	Mandy Beasley	Following advice from Sandwell Legal Department a form of words have been agreed for inclusion September 2009
6.C.1 To develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making	Director Human Resources to confirm policy and that it is reviewed annually.	Director (HR)	December 2009
4.C.1 To ensure that risk management is embedded into the culture of the Authority, with members and managers at all levels recognising that risk management is part of their jobs	A separate Order will be written to detail the Authority's approach to departmental/operational risk. Risk Management will be further embedded into the organisation by the creation of Departmental Risk Registers.	Mick Lomas	March 2010
1.C.1 To decide how value for money is to be measured and make sure that the Authority or partnership has the information needed to review value for money and performance effectively	A VFM strategy is being developed in conjunction with the FRA members. The strategy will be used to shape a VFM programme or similar that will enable continued progress in the delivery of efficiencies. Actions are required to translate the CB VFM strategy into SMART objectives.	DCFO	March 2010
5.A.1 To provide induction programmes tailored to individual needs and provide opportunities for members and officers to update their knowledge on a regular basis	Investigate introducing level 1 of the Member Development Charter.	Georgina Wythes	March 2010
5.B.1 To assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively	Investigate introducing level 1 of the Member Development Charter.	Georgina Wythes	March 2010
5.B.2 To develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed	Investigate introducing level 1 of the Member Development Charter.	Georgina Wythes	March 2010

Requirement	Action to Address Gaps in Compliance	Responsible Person	Completion Date
5.B.3 To ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs	Investigate introducing level 1 of the Member Development Charter.	Georgina Wythes	March 2010
5.C.2 To ensure that career structures are in place for members and officers to encourage participation and development	Investigate introducing level 1 of the Member Development Charter.	Georgina Wythes	March 2010
1.C.2 To measure the environmental impact of policies, plans and decisions.	To continue to develop a series of measures to identify environmental impacts, e.g. carbon footprints, where possible.	Elaine Debenham	March 2010
6.B.5 On an annual basis, to publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of users in the previous period	HFSC outcomes to be included in the Annual Report.	Sally-Anne Chidwick	April 2010
1.B.1 To decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available	To consider a wider customer satisfaction survey and extension of the Duty to Involve legislative requirement.	Mark Hamilton-Russell	July 2010
2.C.4 To ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms and in consultation with the local community and other stakeholders, and that they are clearly articulated and disseminated	To consider a more in depth communication strategy as part of the Duty to Involve legislative requirement.	Mark Hamilton-Russell	July 2010
5.C.1 To ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, or contribute to and participate in the work of the authority	To consider a more in depth communication strategy as part of the Duty to Involve legislative requirement.	Mark Hamilton-Russell	July 2010
6.B.1 To ensure that clear channels of communication are in place with all sections of the community and other stakeholders and put in place monitoring arrangements to ensure that they operate effectively	To consider a more in depth communication strategy as part of the Duty to Involve legislative requirement.	Mark Hamilton-Russell	July 2010

Requirement	Action to Address Gaps in Compliance	Responsible Person	Completion Date
6.B.3 To ensure that arrangements are in place to enable the Authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands	To consider a more in depth communication strategy as part of the Duty to Involve legislative requirement.	Mark Hamilton-Russell	July 2010
6.B.4 To establish a clear policy on the types of issues the authority will meaningfully consult on or engage with the public and service users about, including a feedback mechanism for those consultees to demonstrate what has changed as a result	To consider a more in depth communication strategy as part of the Duty to Involve legislative requirement.	Mark Hamilton-Russell	July 2010
6.B.6 To ensure that the Authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so	To consider a more in depth communication strategy as part of the Duty to Involve legislative requirement.	Mark Hamilton-Russell	July 2010