

REPORT TO THE: PERFORMANCE REVIEW AND AUDIT COMMITTEE**DATE: 26thth April 2010****REFERENCE:****SUBJECT: Code of Corporate Governance – Assurance Statement****SUMMARY:**

In April 2008 the Authority approved and adopted a Code of Corporate Governance, which was consistent with the principles and reflected the requirements of the CIPFA (Chartered Institute of Public Finance and Accountancy) / SOLACE (Society of Local Authority Chief Executives and Senior Managers) framework: *“Delivering Good Governance in Local Government”*.

As part of that process the Authority will annually produce a “Statement of Assurance” to show compliance with the Code.

OBJECTIVES		IMPLICATIONS	
Trusted & Respect	√	Operational Risk Management	√
More than Emergencies	√	Community Risk Reduction	√
Saving Lives, Protecting Communities	√	Training & Development	√
Managing within Budget	√	Civil Contingencies	√
Improving Efficiency	√	Finance & Procurement	√
Resources to Priorities	√	H.R.	√
Alternative Resources	√	ICT	√
Managing People	√	CCMS	√
Integrated Management Planning	√	Transport	√
Partnership Working	√	Health & Safety	√
Effective & Empowered People	√	Premises	√
		Sustainability & Environment	√
		Welsh Language	√
		Legal	√
		Governance	√
		Equality & Diversity	√

COMMENTS/OBSERVATIONS ON THE ABOVE OBJECTIVES/IMPLICATIONS:

The Authority has adopted a Code of Corporate Governance which is a public statement of its commitment to upholding the principles of openness and inclusivity, integrity and accountability.

RECOMMENDATIONS:

That Committee approve the Statement of Assurance for signature by the Chairman of the Authority and the Chief Fire Officer, for inclusion in the Statement of Accounts.

BACKGROUND PAPERS USED IN PREPARATION OF THIS REPORT:

The Authority’s Code of Corporate Governance
 Internal Audit Report – Review of Code of Corporate Governance
 All other internal and external audit reports

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REPORT TO THE PERFORMANCE REVIEW & AUDIT COMMITTEE

26TH April 2010

On

CODE OF CORPORATE GOVERNANCE – STATEMENT OF ASSURANCE

1. Background

The term Corporate Governance refers to *'the system by which the Fire and Rescue Authority directs and controls its functions and relates to the community it serves'*. It is therefore, the totality of policies, management systems, procedures and structures that together determine and control the way in which the authority manages its businesses, formulates its strategies and objectives, for the greater good of the communities of Mid and West Wales.

Mid and West Wales Fire and Rescue Authority recognises its responsibility as a public service organisation to both provide a vision for the community it serves and to lead by example in its decision making and other processes and actions, with Members and Officers acting in accordance with high standards of conduct.

These principles are reflected in the Authority's mission, key objectives and core values which are regularly reviewed to ensure that they continue to reflect the needs of the service and our communities.

In April 2008 the Authority approved and adopted a Code of Corporate Governance based on the CIPFA / SOLACE Framework ***"Delivering Good Governance in Local Government"***. The principles and standards set out in the Code have been developed to help the Authority to improve its performance, give local people better local services and provide stronger leadership for its communities.

The Good Governance structure enables the Authority to pursue its vision effectively and also underpins that vision with the mechanisms for the control and management of risk and the ensuring of probity.

2. The Authority's Code of Corporate Governance

Having adopted a Code of Corporate Governance the Authority needs to be able to demonstrate that it is complying with the six core principles which are defined within the Framework and underpin the Code:

- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
- Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting the values for the authority and demonstrating the values of good governance through upholding standards of conduct and behaviour.

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

Developing the capacity and capability of members and officers to be effective.

Engaging with local people and other stakeholders to ensure robust public accountability.

For each of these, the Authority has identified the actions necessary to meet such principles and the processes / documentation that are required to demonstrate compliance. By this means the Authority is able to review the effectiveness of its governance arrangements.

In order to undertake this responsibility Mid and West Wales Fire and Rescue Authority is committed to upholding the three fundamental principles of Corporate Governance, as set out in the guidelines published by CIPFA/SOLACE

Openness & Inclusivity

Openness is required to ensure that stakeholders can have confidence in the decision-making and management processes of Mid and West Wales Fire and Rescue Authority, and in the approach of the individuals within it. An inclusive approach will also ensure that all stakeholders and potential stakeholders have the opportunity to engage effectively with the decision-making processes and actions of the Mid and West Wales Fire and Rescue Authority.

Integrity

This comprises both straightforward dealing and completeness. The Mid and West Wales Fire and Rescue Authority will at all times act with honesty, selflessness and objectivity, maintaining high standards of propriety and probity in the stewardship of public funds and management of its affairs. An effective control framework encompassing decision-making procedures, service delivery, quality of financial and performance reporting are imperative in conjunction with personal standards and professionalism of both staff employed within the service and Members of the Mid and West Wales Fire and Rescue Authority.

Accountability

Mid and West Wales Fire and Rescue Authority have established processes whereby Members and Staff employed are responsible for their decisions and actions, including stewardship of public funds and all aspects of performance, and are therefore submitted to appropriate external scrutiny. This is achieved by all parties having a clear understanding of those responsibilities and having clearly defined roles within a robust structure.

The Authority has adopted the Code of Governance as a matter of good practice in readiness for what will be a statutory requirement in the 10/11 Accounts. Accordingly the Annual Governance Statement will be included in the Statement of Accounts for 2009/10.

3. The Annual Governance Statement

An internal review was carried out in 2008/09 by the Authority's senior management team, reinforced by work carried out by Internal Audit, to determine how well the Authority meets the demands of the adopted framework and ascertain what actions needed to be undertaken to ensure that the Authority consistently demonstrates high standards of corporate governance.

The review concluded that corporate governance within the Authority is well managed and in line with the CIPFA / SOLACE framework with many examples of good governance arrangements in place e.g. the annual Statement of Accounts, the business planning and performance management framework, the Risk Reduction Action Plan, the Constitution, an effective Committee structure, robust scrutiny, on-going and relevant training and relevant policies and procedures in place. The review only highlighted some minor weaknesses where controls were not yet operating in line with the framework.

During 2009/10, a follow up more detailed internal audit was undertaken, examining some of the areas of higher risk, as prioritised by the Director of Resources. These included a follow up of the Procurement and Partnerships audit undertaken in the previous year, the examination and assessment of the Business Continuity arrangements within the organisation, the examination and assessment of the Business Risk arrangements within the organisation and the audit of the Authority's payroll, creditors and debtors systems. These audits have been positive, showing no fundamental weaknesses, and have been reported to the Authority's Policy Review and Audit Committee. It is the intention to undertake detailed audits on all aspects of the Code of Corporate Governance annually on a rolling basis.

Further external audits have been undertaken by both the Wales Audit Office and KPMG during the year on the procedure for members and officers expenses and benefits, information and data security, vehicle procurement and the Local Government Measure corporate assessment. Again these audits have been extremely positive. Any recommendations from any of the above internal and external audits are either being addressed or will be addressed in priority order.

These reports, together with the work of the internal Business Risk Management Group, all ensure that risk is effectively managed in this Authority.

Examination by external and internal audit of the management information, financial procedure rules and financial instructions, contract standing orders, administrative arrangements (including segregation of duties) and management supervision have all given general assurance regarding the control and proper administration of the Authority's financial affairs. In addition the Wales Audit Office reported during the year that Mid and West Wales Fire and Rescue Authority resources were being used economically, efficiently and effectively.

It is the view therefore of your Officers that the review of the governance arrangements for the financial year 2009/10 has not highlighted any areas of major concern. We believe that the existing arrangements are fit for purpose and are adequate to meet the Authority's corporate aims. The issues highlighted in the Action Plan are being dealt with

by the appropriate officers and progress will be monitored via the Policy Board and the Performance Review and Audit Committee.

The Statement of Assurance is attached as Appendix 1 to this report.

Mid and West Wales Fire and Rescue Authority

Code of Corporate Governance

Statement of Assurance

Mid and West Wales Fire and Rescue Authority is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, and that public money is safeguarded and appropriately accounted for, and used economically, efficiently and effectively. In discharging this accountability, members and senior officers are responsible for putting in place appropriate arrangements for the governance of the Fire & Rescue Authority's affairs and the stewardship of the resources at its disposal. To this end, Mid and West Wales Fire and Rescue Authority has approved and adopted a code of corporate governance, which is consistent with the principles and reflects the requirements of the CIPFA/SOLACE Framework Corporate Governance in Local Government: A Keystone for Community Governance. A copy of the code can be found on our website www.mawwfire.gov.uk or can be obtained from Mid and West Wales Fire and Rescue Authority, Fire Brigade Headquarters, Lime Grove Avenue, Carmarthen SA31 1SP.

During the year 2009/10 the Authority has reviewed its management and reporting arrangements to enable it to satisfy itself that its approach to Corporate Governance is both adequate and effective in practice. Specifically it has given the Clerk to the Authority the responsibility for overseeing the implementation and monitoring of the Code, reviewing its operation in practice and reporting annually to the Authority on compliance with the Code and any changes that may be necessary to maintain and ensure its effectiveness.

In addition the Authority's Director of Resources (through the internal audit service) has been given the responsibility to review independently and report to the Authority annually, to provide assurance on the adequacy and effectiveness of the Code and the extent of compliance with it. On the basis of the reports of the Clerk and Director of Resources arising from their reviews of the Authority's Corporate Governance arrangements, we are satisfied that these are adequate and operating effectively.

The Authority is seeking to continually improve the effectiveness of its arrangements for the governance of the Authority's affairs. We will review continued compliance with the Code as part of our next annual review.

Signed:

Councillor Eurfyl Evans, Chair of the Fire Authority

Signed:

Richard Smith, Chief Fire Officer

