

SCOTTISH FIRE AND RESCUE SERVICE

Integrated Governance Committee

Report No: C/IGC/01-19

Agenda Item: 13

Report To:	INTERGRATED GOVERNANCE COMMITTEE		
Meeting Date:	17 JANUARY 2019		
Report Title:	COMPLIANCE AND GOOD CORPORATE GOVERNANCE AND PRACTICES		
Report Classification:	For Noting	Board/Committee Meetings ONLY	
		For Reports to be held in Private	
		Reason	
1	Purpose		
1.1	The purpose of this report is to present the performance reporting against specific principles of the SFRS Code of Corporate Governance.		
2	Background		
2.1	There is a requirement for the Board to act consistently with recognised principles of good governance.		
2.2	The SFRS Code of Corporate Governance was approved by the Board at its meeting on 15 December 2016 and subsequently published on our public website and is intended to be a living document that will evolve in line with best practice and through our processes for continuously reviewing and improving the effectiveness of our governance arrangements. It fully supports the outcomes and priorities set out in the Strategic Plan for 2016-19, in particular the strategic priority of Governance and Social Responsibility.		
2.3	As the IGC meets a minimum of three times per annum, all six core principles will be subject to detailed scrutiny during each reporting year. It was therefore proposed that a report should be presented at each IGC meeting detailing evidence of performance against two of the six core principles of good corporate governance thereby covering all six throughout the reporting year.		
3	Main Report and Discussion		
3.1	Principles 3 and 4 are therefore presented to IGC (Appendix A) highlighting any progress that has been made in these areas.		
3.2	A number of Improvement Actions had previously been identified to ensure we meet the commitments outlined in our Code and from this an assurance level was applied to each. The Performance Report (Appendix A) will allow the Committee to track progress of the Improvement Actions identified and how these are being considered as part of our continuous improvement.		

4	Recommendation
4.1	The Committee are invited to note the comments and progress made against the Improvement Actions and provide any feedback as necessary. These are all detailed within the Performance Report (Appendix A) for each Principle.
5	Key Strategic Implications
5.1	Financial
5.1.1	There are no key strategic financial implications arising from the recommendations set out in this paper.
5.2	Legal
5.2.1	Whilst there is no legal requirement to have a Code of Governance within SFRS, the adoption of the proposed Code is intended to improve the Board's and its Committees ability to perform its scrutiny role and therefore deliver its statutory duties effectively.
5.3	Performance
5.3.1	The information obtained from the performance reports of the SFRS Code of Corporate Governance will be outlined within the Annual Governance Statement provided by the Accountable Officer to the ARAC. Any assurance gaps identified from these reviews will form Improvement Actions that will be allocated to Directorates to be addressed as part of business as usual arrangements or alternatively through the Annual Internal Audit Plan, as deemed necessary.
5.4	Environmental & Sustainability
5.4.1	There are no key strategic environmental and sustainability implications arising from the recommendations set out in this paper.
5.5	Workforce
5.5.1	There are no key strategic workforce implications arising from the recommendations set out in this paper.
5.6	Health & Safety
5.6.1	There are no key strategic health and safety implications arising from the recommendations set out in this paper.
5.7	Timing
5.7.1	This report has been produced to support the arrangements approved by SFRS Board at its meeting on 29 June 2017 for the effective monitoring and scrutiny of the approved SFRS Code of Corporate Governance. It will also be used to form a report on the overall effectiveness of the Code of Corporate Governance within the Annual Governance Statement presented to the Audit and Risk Assurance Committee (ARAC) and subsequently the Board for approval.
5.8	Equalities
5.8.1	The existing Equality Impact Assessment – Board Operating Arrangements, has been reviewed and there are no issues arising from the matters raised within this report.
5.9	Information Governance
5.9.1	Following this review The Code will be updated as required.

5.10 5.10.1	Risk There are no key strategic risk implications arising from the recommendations set out in this paper.	
5.11 5.11.1	Communications & Engagement Engagement has taken place with the Board and the IGC regarding arrangements for monitoring and scrutiny of SFRS Code of Corporate Governance. An overview of this will be incorporated within future Annual Governance Statements and reported to ARAC and the Board. Updates from IGC will be provided to the Board.	
5.12 5.12.1	Training There are no key strategic training implications arising from the recommendations set out in this paper.	
6	Core Brief	
6.1	Not applicable	
7	Appendices/Further Reading	
7.1	Appendix A – Code of Corporate Governance – Performance Report	
7.2	Link to published version of SFRS Code of Corporate Governance: https://www.firescotland.gov.uk/media/1133907/sfrs_code_of_corporate_governance_v3.0_september_2018_.pdf	
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Sponsored by:	Mark McAteer, Director of Strategic Planning, Performance and Communications	
Presented by:	GM Alasdair Cameron, Board Support Manager	
Links to Strategy		
<p>This links to SFRS Strategic Plan 2016-19 through our priorities of Governance and Social Responsibility, incorporating the following associated key strategic objectives:</p> <ul style="list-style-type: none"> • We will continue to ensure that our decision making processes are transparent and evidence led. • We will develop a performance framework that enables the effective management of risk and supports effective scrutiny, challenge and improvement. • We will embed effective communication and engagement in all that we do. • We will continue to explore how we maximise efficiency and productivity within our organisation and partnerships. 		
Governance Route for Report	Meeting Date	Comment
<i>Integrated Governance Committee</i>	<i>17 January 2019</i>	<i>For Noting</i>

Scottish Fire and Rescue Service (SFRS)

Code of Corporate Governance

Performance Report

Background and Purpose

Assurance categories are applied to each of the commitments made within The Code to provide an indication of the strength of the control in place and enable progress against each of these to be easily monitored and reviewed. No improvement actions will be removed from the log or intended completion dates extended until approval has been sought from the Group.

The status of Assurance levels are categorised as follows:

Assurance Categories - Key	
Substantial Assurance	Controls are robust and well managed
Reasonable Assurance	Controls are adequate but require improvement
Limited Assurance	Controls are developing but weak
Insufficient Assurance	Controls are not acceptable and have notable weaknesses

Improvement Actions/Recommendations

This Performance Report specifically focusing and provides an update in relation to Principles 3 & 4

Since the last report 3 Limited Assurances have now been increased to Reasonable. 3 Reasonable Assurances have also increased and are now considered Substantial.

At present a total of 0 have Insufficient Assurance, 0 have Limited Assurance, 4 have Reasonable Assurance and 18 have Substantial Assurance.

Areas for improvement will continue to be monitored and carried forward, with progress presented to the IGC as part of the cyclical process.

FOREWORD

Good corporate governance is fundamental to any effective organisation and is at the heart of good public services, contributing to the achievement of National Outcome 16 – ‘our public services are high quality, continually improving, efficient and responsive to local people’s needs’.

This Code of Corporate Governance (‘the Code’) outlines our commitment to upholding high standards of corporate governance by setting out the principles and supporting characteristics we will apply to ensure we are achieving our intended outcomes while acting in the public interests at all times. It also embodies and supports our values of Safety, Teamwork, Respect and Innovation. In the Scottish Fire and Rescue Service, this means doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

The Code concentrates on recognised principles of good governance as its framework. It focuses on the role of the non-executives (the Board) and executives (Strategic Leadership Team) of the SFRS in upholding good corporate governance, and has drawn on best practice from across the public, private and charity sectors. Through this it is intended that we support our greatest asset, our workforce, in the delivery of our services to local outcomes for our communities.

The Code is intended to be a living document and will evolve in line with best practice and through our processes for continuously reviewing and improving the effectiveness of our governance arrangements. It fully supports the outcomes and priorities set out in the Strategic Plan for 2016-19, in particular the strategic priority of Governance and Social Responsibility.

We are confident that this Code will provide further support to enabling good corporate governance within the Scottish Fire and Rescue Service and therefore demonstrate our commitment to delivering our intended outcomes in the best possible manner.

ABOUT THIS CODE

What is Corporate Governance?

Corporate governance is the way in which organisations are directed, controlled and led. It defines relationships and the distribution of rights and responsibilities among those who work with and in the organisation, determines the rules and procedures through which the organisation's objectives are set, and provides the means of attaining those objectives and monitoring performance. Importantly, it defines where accountability lies throughout the organisation.

Corporate Governance in the Scottish Fire and Rescue Service

The SFRS meets its corporate governance requirements and expectations in many ways. The Code therefore brings together the various strands of our corporate governance arrangements into one overarching framework document that demonstrates our commitment to upholding good corporate governance.

The focus of the Code is on the Board (Non-executives) and the Strategic Leadership Team (Executives), whereby the Code is designed to assist them in performing their role of directing, controlling and leading the SFRS in a fit and proper manner. The Code will also be cascaded to management who may directly support the Board and Strategic Leadership Team (SLT) in fulfilling this role and our workforce who are integral to achieving improved local outcomes through the delivery of our priorities and strategic objectives.

By following the Code, we aim to deliver high standards of corporate governance, which we believe will lead to better service delivery and ultimately, better outcomes for the communities of Scotland. We are responsible for ensuring that we deliver our services in accordance with the law and our statutory responsibilities, that we safeguard and properly account for public money and that this money is used in accordance with Best Value principles. The Code sets out the manner in which we will operate to meet these responsibilities and therefore maintain public confidence in the SFRS as a public body.

At the heart of the Code lies six core principles of good corporate governance, each with its supporting characteristics that outline how we will demonstrate application of the principles. The six principles we have adopted are taken from the 'Good Governance Standard for Public Services'. By adopting these principles we will be acting consistently with the principles of good governance, a requirement of the Fire (Scotland) Act 2005, as amended by the Police and Fire Reform (Scotland) Act 2012 and following best practice promoted by the Scottish Government in publications such 'On Board: a Guide for Board Members of Public Bodies in Scotland'.

Using the six principles of good corporate governance as a basis for the Code's framework, provides us with a sound structure to assess and ultimately report on the effectiveness of our corporate governance in the Annual Governance Statement. Internal audit and external audit will also benefit from the Code's structured approach, allowing them to direct their independent assurance work on corporate governance more effectively. Our approach to reviewing the Code and reporting its effectiveness is set out on page ten of the Code.

Principle 3 – We will promote and demonstrate the values of the organisation and the principles of good governance through behaviour

What does this mean?			
We are: <ul style="list-style-type: none"> • Putting our organisational values of Safety, Teamwork, Respect and Innovation into practice. • Behaving in ways that uphold and exemplify effective governance, including demonstrating leadership on the grounds of equality, diversity, inclusion, human rights and social justice. • Demonstrating professional, dignified and respectful behaviours and tackling those behaviours that fall short of this standard. 			
Where is the evidence that shows we are demonstrating this?			
We will:	Previous RAG Status	Latest RAG Status	Comments
<ul style="list-style-type: none"> • Publish¹ on our website and intranet, and market in SFRS properties, our values framework. 	Limited	Reasonable	As part of the staff engagement sessions which sought staff input to develop the next Strategic plan 2016-19, comments and feedback from staff were collected and has been used to further develop the SFRS values which are now becoming embedded into the organisation - Values Framework . With regard to making this available on our Website this has still to be progressed and further work to enhance this within our intranet to ensure these are easily accessible to all stakeholders. Improvement Action 3.1(HoF HR-OD) - <i>This is now available through our Website and Intranet, a recent Staff Survey was undertaken closing on 28th October 2018, which will continue to shape our values.</i>

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<ul style="list-style-type: none"> Establish arrangements for appraising staff against our values and incorporate them into induction programmes and development programmes for staff. 	Reasonable	Reasonable	<p>Our Appraisal Policy demonstrates the SRFR's commitment to the development of their staff against their values the introduction of the Leadership and Development Framework the will develop further overtime. Improvement Action 3.2 (HoF HR-OD)</p>
<ul style="list-style-type: none"> Publishⁱⁱ on our website and intranet our Board Members Code of Conduct and establish arrangements for appraising Board Members against the provisions of the Code. 	Reasonable	Substantial	<p>Members Code of Conduct is now published on our website, arrangements for appraising Board members were reviewed in 2018 using self-assessment and Board competence Matrix from 'Changing the Chemistry' this will be developed further during 2018/19 to become incorporated into the SFRS Appraisal Policy.</p>
<ul style="list-style-type: none"> Make our meetings of the Board and Committees open to the public, enabling the public to observe the conduct and behaviour of members of the Board and SLT. 	Substantial	Substantial	<p>All Board and Committee meetings open to the public are advertised on our website, giving an opportunity for members of the public to review the Agendas and papers and attend if they decide.</p>
<ul style="list-style-type: none"> Publishⁱⁱⁱ on our website, Board and Committee reports, and minutes demonstrating how our values have been applied in decision making. 	Substantial	Substantial	<p>All Board and Committee meeting reports incorporating all key decisions are published on our website Board and Committee Papers which is linked to our Values Framework</p>
<ul style="list-style-type: none"> Publish^{iv} and maintain Board Members and SLT Members register of interests, and have arrangements in place for declaring interests at Board, Committee and SLT meetings. 	Substantial	Substantial	<p>For Board Members this is detailed within the Members Code of Conduct and includes requirements for Registration and Declaration of Interests there is now a list of their register of interests within their profiles on the Website. This also</p>

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			forms part of the standing Agenda item at Board meeting example . SLT Members register of can be viewed within our website.
<ul style="list-style-type: none"> Publish^v on our website our Equality and Diversity Charter. 	Substantial	Substantial	This is available within our website, Equality and Diversity Charter
<ul style="list-style-type: none"> Publish^{vi} and raise awareness of our anti-fraud statement and response plan, whistleblowing policy and complaints handling procedure, and seek opinions from the Audit and Risk Assurance Committee and Internal Audit on the adequacy and effectiveness of these arrangements. 	Substantial	Substantial	SFRS have effective plans, processes and policies in place which are kept under review, these are also scrutinised by the ARAC and audited both internally and externally. Anti-Fraud Statement Whistleblowing Policy Complaints, Comments and Compliments Audit Risk and Assurance Committee Internal Audit
<ul style="list-style-type: none"> Appoint an individual to undertake the statutory duties of a Standards Officer, and act as the principal liaison officer between the organisation and the Standards Commission. 	Limited	Reasonable	The SFRS has a Members Code of Conduct and works closely with the Scottish Government Sponsorship Team and Public appointments team, at present this is an area that requires to be further explored. Improvement Action 3.2 (Legal Services Manager) <i>The Director of SPPC is the named person with the Standards Commission, work is in progress to strengthen this by incorporating fully into our Governance arrangements and will be presented to the Board early 2019.</i>

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<ul style="list-style-type: none"> Publish^{vii} on our website and intranet our Recruitment and Selection Policy. 	Substantial	Substantial	Information and our policy/relevant information externally is fully available. Recruitment and Selection Policy Internal / External and Work with Us
<ul style="list-style-type: none"> Monitor and scrutinise the effectiveness of our values framework at meetings of the Staff Governance Committee. 	Substantial	Substantial	Staff Governance Committee monitored and scrutinised the introduction of the SFRS Values Framework.

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Principle 4 – We will take informed, transparent decisions and manage risk effectively

What does this mean?			
We are: <ul style="list-style-type: none"> • Being rigorous and transparent about how decisions are taken. • Having and using good quality information, advice and support. • Making sure that an effective risk management framework and internal controls are in operation. 			
Where is the evidence that shows we are demonstrating this?			
We will:	Previous RAG Status	Latest RAG Status	Comments
<ul style="list-style-type: none"> • Publish^{viii} on our website the Board's Standing Orders, Scheme of Delegations, and Conflicts of Interest arrangements, and review these periodically. 	Substantial	Substantial	All documents are available and reviewed in accordance with specified timelines. Standing Orders for Meetings of the Board and its Committees Scheme of Delegations SFRS Code of Conduct
<ul style="list-style-type: none"> • Publish^x on our website the date and time of all Board and Committee meetings held in public session, and all reports and minutes considered at these meetings. 	Substantial	Substantial	All public Board and Committees are published on our website with the details of the meetings together with the reports Board and Committee Papers
<ul style="list-style-type: none"> • Produce engagement plans in support of communicating decisions to those affected. 	Substantial	Substantial	SFRS have a Communication and Engagement Strategy 2017-2020.
<ul style="list-style-type: none"> • Publish^x on our website the results of Equality and Human Rights Impact Assessments. 	Limited	Reasonable	An Equality and Diversity page exists within our website with access to helpful information, this however does not give specific access to the results of Impact Assessments themselves at this time. Improvement Action 4.1 as per 1.4 (E&D Manager)

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			Equality and Human Rights Impact Assessments are currently available on the SFRS website alongside Board papers. Following a recent review of the Impact Assessment process a number of alterations will be recommended to SLT on the formality of the process and this will include the publication of impact assessments – as such the development of the SFRS website has not progressed at this time to all features of the Impact Assessment process to be considered in the round. SLT have been briefed on these findings on 15 th October '18 with further policy work to follow as appropriate.
<ul style="list-style-type: none"> Publish^{xi} on our website: how to access information; our publication scheme; our freedom of information policy and supporting guidance, and our register of interests for Members of the Board and SLT. 	Substantial	Substantial	All documents are available and reviewed in accordance with specified timelines. Publication Scheme Freedom of Information Board Members Senior Leadership Team
<ul style="list-style-type: none"> Provide guidance on how to prepare suitable reports to the Board and SLT. 	Substantial	Substantial	Revised guidance on Preparing Corporate Papers
<ul style="list-style-type: none"> Publish^{xii} our Risk Management Policy and review this periodically. 	Reasonable	Substantial	Risk Management Policy has been out for consultation and was forwarded for noting to SLT on 8th October '18 and then to the SFRS Board on 25th October'18 for agreement.
<ul style="list-style-type: none"> Maintain up to date Corporate and Directorate Risk registers and report on these quarterly. 	Reasonable	Substantial	This is overseen by our SFRS Risk and Audit manager and has now been incorporated as part of our Executive

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			Corporate Governance Board and through all Committees Corporate Risk Register these registers are forwarded quarterly to SLT and ARAC. Other condensed versions are used by all other Committee's to inform and provide assurance.
<ul style="list-style-type: none"> Publish^{xiii} all internal and external audit reports and our responses to recommendations. 	Substantial	Substantial	These are all made available publicly on our website as part of our ARAC meetings Internal Audit Progress Report , Planning Report - External Audit
<ul style="list-style-type: none"> Have in place an assurance framework for coordinating the examination of the effectiveness of the organisation's internal control and risk management arrangements. 	Substantial	Substantial	A new policy and revised framework is now fully in place. Annual Governance Statement
<ul style="list-style-type: none"> Publish^{xiv} in our Annual Report and Accounts, our Annual Governance Statement, setting out the Accountable Officers opinion of the effectiveness of the organisation's internal control and risk management arrangements. 	Substantial	Substantial	These are all published and presented to the ARAC and Board in October every year. Annual Report 2016-17 Annual Governance Statement 2016-17

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- i SFRS Values Framework – (Available via SFRS Intranet) [Values Framework is on website](#)
 - ii [Board Members Code of Conduct](#)
 - iii [Board and Committee Papers and Reports](#)
 - iv [Register of Interests](#)
 - v Equality and Diversity Charter – (Available on request)
 - vi Anti-Fraud Statement, Whistleblowing Policy and Complaints Handling – (Available via SFRS Intranet) [Anti-Fraud Statement](#)
[Whistleblowing Policy](#)
[Complaints, Comments and Compliments](#)
- These are on website
- vii Recruitment and Selection Policy – (Available via SFRS Intranet)
 - viii [About SFRS - Standing Orders, Scheme of Delegation & Conflict of Interests](#)
 - ix [Schedule of Board and Committee Meetings](#)
 - x Equality and Human Rights Impact Assessments – (Available on request)
 - xi [Access to Information](#)
 - xii Risk Management Policy – (Available via SFRS Intranet) Is this not also on website?
 - xiii [How are we performing - Internal and External Audit Reports](#)
 - xiv [Annual Report and Statement of Accounts](#)