

Corporate governance

It is the Authority's intention to achieve high standards on Corporate Governance issues and provide leadership for the achievement of high standards of accountability throughout CFA.

The Board

The Board is responsible to the Minister for Police and Emergency Services and comprises twelve members. The position of Chairman of the Board is held by Mr Len Foster.

The other Board members are also non-executive positions. Some of these appointments are nominated by key interest bodies in accordance with the *Country Fire Authority Act 1958*. The current nominating bodies are: the Minister for Environment and Conservation; the Victorian Rural Fire Brigades' Association Inc (VRFBA); the Victorian Urban Fire Brigades' Association Inc (VUFBA); and the Municipal Association of Victoria (MAV). They are each required to nominate not less than four names, from which two members are appointed. Appointments are made by the Governor-in-Council for terms of a maximum of three years. The Insurance Council of Australia has declined to nominate members as entitled under the Act. These positions therefore were filled by the Governor-in-Council from otherwise eligible persons.

The remuneration of the Chairman and members of the Board is determined by the Governor-in-Council.

Board members may seek independent legal advice, at CFA's expense, in pursuit of their duties.

Board's role

The Board is responsible for CFA's overall performance, ensuring its compliance with legislation and best practice principles in delivering its emergency services.

The Board is:

- responsible and accountable to the Minister for Police and Emergency Services
- responsible for the development and implementation of strategic plans to meet CFA's legislated responsibility
- responsible for policy formulation
- responsible and accountable for its delegations to management
- responsible for monitoring the performance of all delegations.

The Board sets the corporate objectives and strategies through the three-year Corporate Plan and detailed Annual Plans. Progress is monitored and reported against CFA's Annual Plan.

Strategic planning approach

CFA's strategic management and planning process is a continual cycle involving analysis of internal and external environments, strategy development and planning, service delivery and the monitoring and evaluation of performance. There is a direct link between the corporate direction and planning and action on the ground. There is a single pathway between:

- the three-year Corporate Plan that outlines CFA's vision and provides a broad statement on longer term direction;
- the related Annual Plans that identify the organisational priorities and targets for the year;
- local Area/department business plans that are linked to the above plans and allow local decisions to be made about how specific outcomes will be achieved and the extent of work that will be done, taking into account local priorities and resource capabilities;
- project plans; and
- individual performance and development plans.

Ethical standards

CFA operates under the Code of Conduct for the Victorian Public Sector, which provides guidance for addressing ethical issues such as conflicts of interest.

The members of the Board and senior CFA staff have met the requirements of declaring pecuniary interests.

Board Committees

To reflect strategic imperatives and the dynamics of change, a number of Board Committees have been established.

Membership of Board Committees is as follows:

Audit	Remuneration & Appointments	Service Delivery	People Strategy
Clif Lang (Chair)	Len Foster (Chair)	Max Maher (Chair)	Anne Fairhall (Chair)
Len Foster	Peter Bishop	Peter Bishop	Jan Boynton
Ken King	Jan Boynton	Robyn Hale	Robyn Hale
Rick Hill	Sue Heron	Frank Zeigler	Rick Hill
	Clif Lang		Frank Zeigler

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Audit Committee

The Audit Committee's responsibilities embrace oversight of the corporate governance, compliance and risk management processes, including external audit and internal audit functions. The role of the Committee is to assist the Board to fulfill its responsibilities in relation to the:

- integrity and quality of annual financial reporting and disclosure;
- adequacy and integrity of management reporting;
- identification and management of key business, financial and regulatory risks;
- compliance with relevant laws, regulations, standards and codes;
- adequacy of the internal control framework; and
- development, coordination and overall management of CFA's corporate governance, compliance and risk management processes and practices.

The Committee is required to meet not less than four times a year and report to the Board on its recommendations.

The Board notes the advice from the Auditor General regarding external financial auditing arrangements. The Auditor General is an independent officer of the Parliament with sole responsibility for signing and issuing all audit opinions on financial statements. The Auditor General undertook the external financial audit for the 2002/03 year.

Currently CFA's internal audit function is contracted to PricewaterhouseCoopers. The responsible PricewaterhouseCoopers partner reports to the Audit Committee on a regular basis on internal audits undertaken against the approved internal audit plan. The internal audit team is augmented by a CFA staff member.

The Director Finance and Administration can attend Committee meetings by standing invitation.

Remuneration & Appointments Committee

The role of the Remuneration and Appointments Committee is to overview the remuneration of executive officers to ensure compliance with the Victorian Government's Policy on Executive Remuneration for Government Business Enterprises and Statutory Authorities.

Members of the Committee have:

- no personal financial interest in the Committee's decisions;
- a good knowledge of CFA and its senior executives, a keen interest in its progress and a full understanding of the Government's interests and directions for the organisation; and
- a good understanding of the areas of Remuneration and Appointments Committee business, enhanced as necessary by appropriate training or access to expert advice.

The Committee may invite other people with appropriate expertise to attend meetings as required.

Service Delivery Committee

The Service Delivery Committee's responsibilities encompass oversight of the development and implementation of plans for the effective, efficient and economic delivery of CFA operations.

Its role includes:

- providing an independent communication forum for Board members and management in relation to CFA operations;
- reviewing operations policies adopted by CFA and any changes made or contemplated, including giving proactive consideration to the implications of new legislation, standards, codes of practice or Government policy affecting CFA operations;
- reviewing significant acquisitions of operational assets;
- advising the Board on budgetary and financial aspects of CFA operations and reviewing physical and human resources requirements for operations;
- determining whether CFA has instituted adequate reporting systems and internal controls on operational matters;
- overseeing CFA's operational audit program and reviews conducted for the purposes of section 29 of the *Country Fire Authority Act 1958*.
- ensuring that CFA has taken appropriate steps to identify the significant operational risks to which it is exposed and that risk management plans in place are adequate and appropriate;
- recommending to the Board directions to be issued by the Authority under section 27 or section 28(2) of the *Country Fire Authority Act 1958*;
- advising the Board of matters which, in the Committee's opinion, are having, or are likely to have, a significant adverse effect on CFA operations.

The Director of Operations/Chief Officer attends Committee meetings by standing invitation.

People Strategy Committee

The People Strategy Committee is established to assist the Board to fulfill its responsibilities to have people in place who are:

- appropriate in number and of the right skills mix;
- adequately trained;
- efficiently organised and integrated; and
- operating in a culture of safety, equity and equal opportunity.

The role of the Committee includes:

- Occupational Health & Safety issues;
- Equity and Equal Opportunity (EEO) issues;
- Codes of Ethics and Conduct;
- management succession;
- compliance;
- disciplinary issues;
- CEO performance assessment;
- volunteer issues;
- industrial relations; and
- general human resource issues.

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The Committee is required to meet not less than four times each year and the Director Human Resources attends Committee meetings by standing invitation.

Attendances by Board members

	Board Meetings	Special Meetings	Committee Meetings			
			Audit	Remuneration and Appointments	Service Delivery	People Strategy
Number of meetings 2002/03	12	2	4	4	4	3
Len Foster	12	2	4	4	2	1
Sue Heron	7	-	3	2	-	-
Peter Bishop	12	1	-	4	1	-
Jan Boynton	11	-	-	3	-	-
Bill Davies ¹	6	-	2	-	-	1
Anne Fairhall	12	-	-	-	-	3
Robyn Hale	11	-	-	-	1	3
Rick Hill ²	3	-	1	-	-	-
Ken King ³	-	-	-	-	-	-
Clif Lang	8	2	-	3	-	-
Rob MacLennan ⁴	6	2	3	-	2	-
Max Maher	11	-	-	-	4	-
Helen McGowan	9	-	-	-	3	-
Frank Zeigler	12	2	-	-	1	3

¹ Retired 31 December 2002.

² Appointed 15 April 2003

³ Appointed 1 July 2003

⁴ Passed away 28 May 2003