

REPORT OF THE CHIEF FIRE OFFICER

REVIEW OF THE CODE OF CORPORATE GOVERNANCE AND ANTI-FRAUD AND CORRUPTION STRATEGY

1 Purpose of Report

To request Members to agree and adopt the proposed Code of Corporate Governance and Anti-Fraud and Corruption Strategy for Shropshire and Wrekin Fire Authority following the annual review conducted by officers.

2 Recommendations

Members are asked to agree and adopt the Fire Authority's proposed Code of Corporate Governance (attached at Appendix A) and Anti-Fraud and Corruption Strategy (attached at Appendix B).

3 Background

At its meeting on 26 April 2005 the Fire Authority adopted a Code of Corporate Governance, based on guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE). It is a requirement of the Code that it is reviewed annually by the Chief Fire Officer and that the full Fire Authority approves and adopts the Code each year. The Treasurer is responsible for ensuring an annual review of compliance with the Code and Internal Audit independently audits the process.

Also at its meeting in April 2005 the Fire Authority adopted an Anti-Fraud and Corruption Strategy, which is required to be reviewed annually.

4 Review

The Code of Corporate Governance

The Chief Fire Officer has recently conducted his annual review of the Code of Corporate Governance and he proposes certain amendments. These are of a minor nature and in the majority of cases are required to bring the Code up-to-date. The Treasurer has also reviewed the Code and is satisfied that that the Fire Authority and



its officers have complied with the Code. In addition, Internal Audit has conducted its own review and made some minor, but helpful, recommendations. The proposed Code, incorporating the amendments suggested by the Chief Fire Officer and recommendations from internal audit, is attached at Appendix A to this report. Additions to be agreed are shown in bold italics and deletions struck through.

The Anti-Fraud and Corruption Strategy

The Anti-Fraud and Corruption Strategy has been reviewed and is attached at Appendix B. It has been updated to include reference to the Fire Authority's participation in the Audit Commission's National Fraud Initiative, and notes that anti-fraud work is incorporated into internal audit plans.

Additions and minor amendments to be agreed are shown in bold italics.

5 Legal Comment

Although the Fire Authority is not legally required to have in place a Code of Corporate Governance or an Anti-Fraud and Corruption Strategy, it is considered best practice to do so.

6 Appendices

- Appendix A** Shropshire and Wrekin Fire Authority Code of Corporate Governance
- Appendix B** Shropshire and Wrekin Fire Authority Anti-Fraud and Corruption Strategy

7 Background Papers

Chartered Institute of Public Finance and Accountancy

Corporate Governance in Local Government - A Keystone for Community Governance – Framework and Guidance Notes (2001)

Shropshire and Wrekin Fire Authority 26 April 2005

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Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balance Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	*
Capacity		Member Involvement	
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment		Operational Assurance	
Equality and Diversity		Retained	
Efficiency Savings		Risk and Insurance	
Environmental		Staff	
Financial		Strategic Planning	
Fire Control/Fire Link		West Midlands Regional Management Board	

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Shropshire and Wrekin Fire Authority



SHROPSHIRE AND WREKIN FIRE AUTHORITY

CODE OF CORPORATE GOVERNANCE

Introduction

Shropshire and Wrekin Fire Authority is committed to the principles of effective corporate governance and has, therefore, adopted a Code of Corporate Governance.

Guidance on corporate governance was issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) in a document entitled "Corporate Governance in Local Government – A Keystone for Community Governance - Framework".

In the Framework document corporate governance is defined as:

‘the system by which local authorities direct and control their functions and relate to their communities’.

The fundamental principles of corporate governance are openness and inclusivity, integrity and accountability. The CIPFA/SOLACE document identifies five interlocking dimensions in a corporate governance framework consisting of:

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

The Fire Authority's Code of Corporate Governance specifically identifies the actions to be taken under each of these dimensions and applied to all aspects of its business. On a practical basis, the Code defines the Fire Authority's framework by reference to key processes, procedures and documents, which contribute to effective corporate governance.

In order to deliver effective corporate governance Members and staff of Shropshire and Wrekin Fire Authority are required to conduct themselves in accordance with the high standards expected by the citizens of Shropshire.

Adoption and Review of the Code

The Framework document also stresses that systems and processes must be monitored for their effectiveness in practice and subject to review on a continuing basis to ensure that they are up-to-date.

The Chief Fire Officer is responsible for reviewing this Code annually and the full Fire Authority is responsible for approval and adoption of the Code each year. The Treasurer will be responsible for ensuring an annual review of compliance with the Code and **an independent audit of the process will be carried out by Internal Audit as part of their rolling programme of work.** ~~will independently audit the process.~~ The results of this review will form a part of the overall assurance for the Statement of Internal Control signed by the Chair, Chief Fire Officer and Treasurer of the Fire Authority.

Shropshire and Wrekin Fire Authority Actions to be taken in relation to each dimension of Corporate Governance

Community Focus

The Fire Authority will:

- a) **Publish on a timely basis an annual report presenting an objective and understandable account of the authority's activities, achievements and financial position and performance. The report will include statements:**
- **Explaining the authority's responsibility for the financial statements**
 - **Confirming that the authority complies with relevant standards and codes of corporate governance**
 - **On the effectiveness of the authority's system for risk management and internal control.**

Statement of Accounts

An audited and signed Statement of Accounts is published annually containing:

- ~~A Statement on the System of Financial Control~~
- A Statement of Responsibilities, detailing the responsibilities of the Fire Authority and its Treasurer
- An Audit Certificate, setting out the Auditors' opinion on the financial statements
- A Statement of Accounting Policies that the accounts have been prepared in accordance with the Code of Practice of Local Authority Accounting issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and with the detailed accounting recommendations included in the Financial Reporting Standards and the Statements of Accounting Practice
- A Statement of Internal Control signed by the Chair of the Fire Authority, the Chief Fire Officer, as Head of Paid Service, and Treasurer, as Section 151 Officer.

Performance Plan

Within its annual Performance Plan the Fire Authority sets out its activities and achievements over the previous year. In addition to meeting a statutory requirement, this document provides a means of communication with the community of Shropshire, staff, elected Members, and organisations with an interest in the Fire Authority's activities.

b) Publish on a timely basis a performance plan presenting an objective, balanced and understandable account and assessment of the authority's current performance in service delivery and plans to maintain and improve service quality

The Performance Plan 2004-05 **published in June of each year** reports on the achievements of 2003/04 **the previous year**. It sets out clearly the Fire Authority's performance against target for each of its Best Value Performance Indicators for that year and states whether or not it has achieved target.

The Plan also reports on the outcome of the voluntary Comprehensive Performance Assessment undertaken by the Fire Authority during 2003 **integrates the findings of assessments carried out by the Audit Commission** and identifies key areas for further development and implementation. Furthermore, it highlights priorities for improvement and sets out the targets for the **next** three years 2004/05 to 2006/07. **In addition, the Plan includes measures to address:**

- **Operational Assurance Assessments;**
- **Movement from the Comprehensive Performance Assessment baseline through Direction of Travel statements; and**
- **Strategies and initiatives, which demonstrate that the Fire Authority is providing value for money, when assessed through a Use of Resources judgement.**

c) Put in place proper arrangements for the independent review of the financial and operational reporting processes

The Fire Authority's financial and operational reporting processes are independently examined by:

- The Audit Commission via the Annual Audit Letter, which is presented to, **and formally accepted (or otherwise) by** the Fire Authority. The Commission's unqualified audit certificate is included in the 2003/04 **each year's** Statement of Accounts
- The Audit Commission **and the Office of the Deputy Prime Minister** via Verification Audits on Modernisation conducted in January and May/June 2004, **Operational Assurance Assessments**
- **The Audit Commission via Use of Resources Assessments**
- Independent Internal Auditors who report annually to the Treasurer
- ~~Other external agencies, such as~~ **The Audit Commission via** the Comprehensive Performance Assessment Review Team

d) Put in place proper arrangements designed to encourage individuals and groups from all sections of the community to engage with, contribute to, and participate in, the work of the authority and put in place appropriate monitoring processes to ensure that they continue to work in practice

The two corporate objectives associated with strategic aim 4 – To provide a service that demonstrates quality and Best value in service provision – state that we will:

- Promote a partnership approach in pursuance of continuous improvement, having regard to a combination of economy, efficiency and effectiveness
- Ensure the provision of a service that meets the needs of the community

~~(It should be noted that a comprehensive review of the current aims and objectives is currently taking place to ensure that they align with the Fire and Rescue Services Act~~

~~2004 and National Framework 2005/06. The review is likely, therefore, to result in changes to the aims and objectives.)~~

We achieve this by the following means:

- The Retained Service
- Local meetings throughout Shropshire to discuss our aims and priorities
- Scrutiny Panels made up of a cross section of the community
- Public/stakeholders budget consultation meetings
- Established links and regular meetings with local schools and other organisations
- Advance publication of reports and information about official Fire Authority meetings on the web site
- Partnership working with local agencies
- **Community Liaison Panel**

The feedback received is reported to the Fire Authority.

- e) **Make an explicit commitment to openness in all dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so, and to deliver an account against that commitment**

The Fire Authority is committed to openness in all of its dealings and to this end has adopted a procedure for public participation at its meetings and those of its committees, which the public may attend. The procedure is set out in its Standing Orders for the Regulation of Proceedings and Business. Its agendas and reports are available to the public and publicised on its website in advance of meetings. The Fire Authority also has very clear rules governing access to information and the grounds on which information should be excluded from the public domain.

Detailed procedures are in place for processing requests *made* under the Data Protection Act, *the Freedom of Information Act and the Environmental Information Regulations* and software for dealing with requests made under the ~~Freedom of Information Act~~ has been installed.

- f) **Establish clear channels of communication with all sections of the community and other stakeholders and put in place proper monitoring arrangements to ensure they operate effectively**

We have many ways of communicating with our citizens and stakeholders, such as:

- Publications and leaflets, including the Council Tax Leaflet
- Press releases **and close relationships with the local media**
- The Fire Authority's website
- House-to-house visits
- Local fire safety campaigns
- Established links and regular meetings with local organisations and schools
- Public / stakeholders open budget consultation meetings
- Fire station open days
- Attendance at local and regional exhibitions and shows
- Participation in Local Democracy Week events
- Partnership working
- Best Value Customer Survey carried out every three years
- **After Incident User Consultation Survey**
- **Involvement of the Fire Authority's Members**

- g) **Ensure that a vision for their local communities and their strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stake-holders, and that they are clearly articulated and disseminated**

Integrated Risk Management Planning

The Integrated Risk Management Planning (IRMP) process uses Fire Service Emergency Cover software to **determine** the type and level of predicted fire risk for all parts of the communities in Shropshire. The outcome of this risk assessment enables the Fire Authority to distribute its resources to the best effect and thus achieve its vision of

'Putting Shropshire's Safety First'

~~'To save life, protect property and the environment and reduce the risks from fire'~~

The information collected through the process is updated constantly to ensure its accuracy and so reflect the changing needs of the community of Shropshire.

The Integrated Risk Management Plan and **Annual Integrated Risk Management Plan** Action Plans 2004/05 ~~were~~ **are** drawn up following widespread consultation with members of the public, stakeholder organisations and staff over a three-month period. Copies of these documents ~~were~~ **are** provided to all who participated in the consultation process and are also available in local libraries and on the Fire Authority's website.

Safer Communities Core Strategy Fire Safety in the Community Strategy

~~The Fire Safety in the Community Strategy~~ **The Safer Communities Core Strategy** document links clearly with the Fire Authority's vision, strategic aims and corporate objectives **and** The document outlines how the Fire Authority plans to deliver **its key safer communities objectives over the next four years** fire safety to the community and sets out a three-year Fire Safety Action Plan. The Fire Authority's performance against key Best Value Performance Indicators, such as number of deaths and injuries arising from fires and the number of fires in dwellings, drives the Strategy, which is developed in partnership with other agencies throughout Shropshire. **The Strategy articulates the vision and ambitions for the Community Safety Service and what the key outcomes of the Service's work will be, as indicated in the Authority's IRMP. Business Plans and Action Plans for each team set out the means, by which its Service Objectives will be achieved.**

Details of the various projects within the Strategy are given in the Fire Authority's annual Performance Plan and disseminated via the means outlined in f) above. Consultation on the Strategy also takes place through those same means. **In addition, the Fire Authority's Community Liaison Panel ensures that there is an effective two-way channel of communication with all of the County's communities and its older and younger people.** The Strategy is a working document and, as such, can be adapted to accommodate change and thus meet the needs of the community.

Budget Consultation

The budget consultation process also assists in identifying the needs/priorities of Shropshire's citizens and feedback obtained is reported to the Fire Authority.

Government Legislation

Many of the Fire Authority's priorities and targets are imposed upon the Fire Authority by the Government. Specifically the Fire and Rescue Services Act 2004 and National Framework ~~Documents 2005/06~~ impose additional statutory duties and other requirements upon the Fire Authority. The Fire Authority recognises that the introduction of the ~~current and future Frameworks Documents~~ necessitates the need for regular reviews of its strategic aims and corporate objectives to ensure that there is a clear link with those additional duties and requirements. To this end the improvement plan, **which emerged** ~~emerging~~ from the Fire Authority's Comprehensive Performance Assessment **has been** ~~will be~~ strategically reviewed and aligned, not only with the national Framework, but also with Best Value Performance Indicators and Regional Management Board issues. **Furthermore, the outcomes of future assessments required by the Government, such as Operational Assurance and Use of Resources, will be incorporated into the Fire Authority's strategic plans.**

Service Delivery

The Fire Authority will:

- a) **Set standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality policies**

At its first meeting in April 1998, the Fire Authority agreed a three-year Service Plan, which established the vision and strategic aims of the Authority and included linked corporate objectives, performance indicators and targets. Although, over the years, there have been minor variations to the corporate objectives contained within the original Service Plan, the vision and strategic aims remain as relevant today as they were then. Furthermore, they provided the impetus for the early modernisation of the Service, as confirmed by two verification audits conducted by the Audit Commission **and by the Comprehensive Performance Assessment audit during 2005.**

The Fire Authority's standards and targets for performance in the delivery of service **are reviewed annually and** set out in:

- The Performance Plan
- **The Integrated Risk Management Plan**
- ~~Fire Safety in the Community Strategy~~ **Safer Communities Core Strategy**
- Regular performance monitoring reports to the Fire Authority's ~~Finance and~~ **Audit and Performance Management Committee**
- The 'Quality means Equality' strategy document (based on the Equality Standard for Local Government)

Our statutory Best Value Performance Indicators are subject to audit by Internal Audit and an annual audit by the Audit Commission. From April 2005 the Fire Authority ~~will also be~~ **has also been** required to produce a quarterly report to the Office of the Deputy Prime Minister on its Best Value Performance Indicators. Most of the Indicators show a year-on-year improvement in performance, demonstrating their sustainability.

A Corporate Equality Policy Statement and Race Equality Scheme are in place and equalities and diversity training forms part of the staff induction programme. In support of that training the Fire Authority has published a 'Guide to Culture **and Diversity** in Shropshire', which is now used by many other organisations within the County and fire services around the country. The Fire Authority continues to retain

the 'Two Tick' positive about disabled people standard, which recognises its commitment to becoming an employer of choice for people with disabilities. Furthermore the Fire Authority ~~has recently created and filled a new post, that of~~ **employs an** Equality and Diversity Officer, whose remit is to ensure that equality and diversity are considered in every aspect of service delivery. **The Fire Authority also contributes to, and works in partnership with the Shropshire Partnership Equalities Forum and the Borough of Telford & Wrekin Race Equality and Diversity Group, both of which provide advice on equality and diversity issues.**

b) Put in place sound systems for providing management information for performance measurement purposes

Performance measurement information is co-ordinated and administered **through the Service's Programme Office**, by the ~~Statistical Research Officer, who~~ **which** together with the ~~Deputy~~ **Assistant** Chief Fire Officer validates the annual return required by the Office of the Deputy Prime Minister to produce the Best Value Performance Indicator tables.

Officers **continue to develop** ~~are currently developing~~ a strategic planning database, which will improve how management information is collated and disseminated. Work is **continuing** ~~also underway~~ to provide improved systems for inputting, manipulating and accessing information throughout the Brigade, which will assist in performance measurement.

c) Monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans

Regular performance monitoring reports are considered by the Management Team. These focus on priorities for the Fire Authority and are used in the formulation of action plans for the Service.

A performance monitoring report is taken to each meeting of the Fire Authority's ~~Finance~~ **Audit** and Performance Management Committee, which clearly identifies the progress made against Best Value Performance Indicators **and Service Objectives**. The Committee may then ask for further details of specific areas of good or poor performance to be reported to the full Fire Authority.

An annual performance report is taken to the Fire Authority informing Members of the position of the Brigade in national performance tables published by the Office of the Deputy Prime Minister relating to Best Value Performance Indicators for the year.

The Fire Authority's annual Performance Plan, Integrated Risk Management Plan and associated Action Plan and ~~Fire Safety in the Community~~ **Safer Communities Core** Strategy document ~~and associated action plan~~ set out agreed standards and targets in a comprehensive and understandable manner.

The focus of the Comprehensive Performance Assessment (CPA) process is to improve local services for local people. The outcome of the Fire Authority's first CPA review, ~~when published in April 2005, will drive~~ **has driven** its priorities for improvement, which ~~will~~ in turn **have been** ~~be~~ reflected in the Fire Authority's performance plans.

d) Put in place arrangements to allocate resources according to priorities

The Members' Budget Working Group meets regularly to discuss resource allocation and budget priorities for the next three years. The work of this Group feeds into the reports considered by the Fire Authority's ~~Finance and Performance Management~~

Strategy and Resources Committee, which in turn makes recommendations to the full Fire Authority on allocation of resources.

The annual budget setting process begins with a review of the Budget and Service Strategy for the following three years and brings together key issues, which have financial implications for the Fire Authority. ***In particular, this has involved bringing together Integrated Risk Management Planning and the Retained Review within the budget.*** As part of the budget setting process the Fire Authority has established a three-year capital programme and conducts detailed appraisal of each scheme within the programme, prioritising and deprioritising schemes as necessary. It also has a ten-year investment plan for property maintenance ***and is now in the process of embedding a more formal medium term financial plan.***

The National Framework document now sets out what the Fire Authority's priorities are in terms of what it 'must do' and 'should do'. The Authority has considered the Framework and understood its implications in terms of priority and resources. During the budget setting process the Fire Authority has been mindful of these priorities together with the possibility of capping and allocated its resources accordingly.

- e) **Foster effective relationships and partnerships with other public sector agencies and with the private and voluntary sectors, and consider outsourcing, where it is efficient and effective to do so in delivering services to meet the needs of the local community, and put in place processes to ensure that they operate effectively in practice**

The two corporate objectives associated with strategic aim 4 – To provide a service that demonstrates quality and Best value in service provision – state that we will:

- Promote a partnership approach in pursuance of continuous improvement, having regard to a combination of economy, efficiency and effectiveness
- Ensure the provision of a service that meets the needs of the community.

We have numerous examples of effective partnership working:

- ***West Midlands Regional Management Board***
- Local Public Service Agreements with Borough of Telford & Wrekin and Shropshire County Council
- Local Arson Task Force
- Borough of Telford & Wrekin Schools
- Local Crime and Disorder Partnerships
- Fire-Police-Ambulance Partnership Agreement
- Race Equality Council
- Crucial Crew
- Junior Fire Education Scheme
- Juvenile Intervention Scheme
- Vehicle Crime Courses
- Fire Safety Awareness Packs
- ***Falck-Shropshire Fire and Rescue Service Exchange Programme***

~~Further details of these partnerships appear in the Fire Authority's Performance Plan.~~

~~Through its voluntary Comprehensive Performance Assessment~~ The Fire Authority is aware of the need to ***developing*** a robust strategic partnership framework ~~The framework will~~ ***to*** ensure that objectives are achieved and outcomes measured. A review of partnerships ***has been conducted and a Partnership Assessment Group has been formed, which meets regularly to appraise all partnerships.***

~~with Borough of Telford & Wrekin is currently underway and forms the first phase of the framework.~~

The Fire Authority has in place a variety of innovative agreements to secure value for money through outsourcing, including the provision of:

- Occupational health services
- Breathing apparatus
- Hydrant maintenance
- Driver and first aid training/

To secure efficient and effective delivery of services the Fire Authority is also involved in a number of procurement consortia and aggregated contracts. Whilst these tools facilitate the procurement process, the decision to purchase is determined as an outcome of robust project planning or business cases.

The Fire Authority is also actively engaged in collaborative planning with partner fire authorities via the **West Midlands** Regional Management Board. Such collaboration facilitates long-term financial and service planning initiatives with the aim of securing economies of scale. All regional projects are monitored through programme management and PRINCE 2 methodology.

f) **Respond positively to the findings and recommendations of external auditors and statutory inspectors and put in place arrangements for the effective implementation of agreed actions**

Audit Commission reports and responses are considered by Policy Group and presented to the Fire Authority. The issues raised form part of the programme of work agreed with Internal Audit and are dealt with in a timely manner by the Treasurer.

The outcome of the Fire Authority's first Comprehensive Performance Assessment, ~~when published in April 2005, will~~ **has driven** its priorities for improvement, which ~~will~~ in turn ~~be~~ **have been** reflected in plans to implement agreed actions. ***The Audit Commission's Operational Assurance and Use of Resources assessments may also highlight areas for improvement.***

Structure and Processes

The Fire Authority will:

a) **Put in place clearly documented protocols governing relationships between members and officers**

~~There is currently no protocol in place governing the relationship between members and officers. A report will, therefore, be brought to the Fire Authority during 2005, proposing such a protocol for adoption.~~

At its meeting in October 2005 the Fire Authority agreed a Protocol on Member/Officer Relations.

b) **Ensure that the relative roles and responsibilities of executive and other members, members generally and senior officers are clearly defined**

The Fire Authority has in place role descriptions, which clearly define the roles and responsibilities of its Members, Chair, Vice-Chair, Leader of the Opposition Group

and Chair of the Integrated Risk Management Planning Members' Working Group **and Independent Members of its Standards Committee.**

The roles and responsibilities of all Principal Officers, including those of the Treasurer, are clearly defined in job descriptions held by the ~~Personnel~~ **Human Resources** Department. The responsibilities of the Monitoring Officer are set out in the Service Level Agreement with Borough of Telford & Wrekin for the Provision of Clerk and Monitoring Officer Services. Delegations to specific officers are documented in Section 4 of the Shropshire and Wrekin Fire Authority Handbook.

c) Ensure that members meet on a formal basis regularly to set the strategic direction of the authority and to monitor service delivery

The Fire Authority's ~~Finance~~ **Audit** and Performance Management Committee, which meets on a formal basis ~~five~~ **four** times per year, considers a performance monitoring report at each of its meetings. **The Strategy and Resources Committee meets on a formal basis five times per year to consider the strategic direction of the Fire Authority.** Any recommendations regarding service delivery are then taken to the next meeting of the Fire Authority for consideration.

The Fire Authority also meets on a formal basis **at least** five times each year, when it considers the strategic direction of the Authority.

d) Develop and maintain 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

The Fire Authority has in place a Scheme of Delegation to Officers, which sets out those powers delegated to the Chief Fire Officer, Authority Solicitor and Treasurer. The Scheme also sets out those powers, which the Fire Authority does not delegate.

Each of the Fire Authority's committees has terms of reference, which state clearly the powers of that Committee.

e) 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

The Fire Authority and Brigade operate within a clear and supportive management structure, which enables the organisation to remain focused on achieving its primary aims and objectives. The results achieved in its Best Value Performance Indicators demonstrate that the decision-making process of the Authority is effective. Members of the Fire Authority and its senior personnel have role and job descriptions, which clearly document their respective duties and responsibilities.

The Fire Authority has in place comprehensive Standing Orders covering:

- The Regulation of Proceedings and Business
- Contracts
- The Regulation of Financial Matters and Financial Regulation.

These Standing Orders govern the processes to be adopted in conducting the Fire Authority's business and are further supported by Committee constitutions and more detailed protocols and notes of guidance.

- f) **Put in place arrangements to ensure that members are properly trained for their roles and have access to all relevant information, advice and resource as necessary to enable them to carry out their roles effectively**

When joining the Fire Authority members are issued with a Handbook, which covers all aspects of the Authority's business in a user-friendly format. The Handbook is revised at least annually and copies of the revisions provided to all members.

Regular meetings take place between senior officers and the Chair and Vice-Chair of the Fire Authority to keep them advised of major developments. There are also dedicated officers (the Committee and Administration Manager, Senior Management Support Officer and Management Support Officers), who provide advice on procedural issues and secretarial support to members. In addition members attend one-to-one meetings with senior officers to ensure that they have full understanding of key issues.

The Clerk to the Fire Authority (who is also the Monitoring Officer) ensures that every Member receives training in the Code of Conduct and provides advice on declaring and registering interests and procedural issues.

Members regularly attend training seminars and conferences to keep them up-to-date with new legislation and to network with other fire authority members.

~~The Fire Authority's Personnel Committee has requested officers to develop a process for the personal development review of all members of the Authority. This will identify the development needs of each member and enable appropriate training to be provided. It is also intended to introduce training modules, which will cover a number of core competencies for members.~~

The Fire Authority has agreed a process for the personal development review of all of its members and independent members of its Standards Committee, which will be implemented from May 2006. Any training needs identified by the review will be addressed through provision of appropriate training.

- g) **Ensure that the role of the Executive members are formally 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**

The Fire Authority does not operate executive arrangements. The full Authority is, therefore, responsible for providing effective strategic leadership.

- h) **Ensure that the roles and responsibilities of all members of the authority, together with the terms of their remuneration and its review, are clearly defined in writing**

The Fire Authority has in place written role descriptions, which clearly define the roles and responsibilities of its Members, Chair, Vice-Chair, Leader of the Opposition Group and Chair of the Integrated Risk Management Planning Members' Working Group **and independent members of its Standards Committee**. The role descriptions also set out the basic allowance and special responsibility allowances payable to members.

Full details of all of the allowances payable to members are given in the Scheme for the Payment of Members' Allowances **contained within the Fire Authority Handbook**. Review of allowances is also dealt with in the Scheme.

i) **Ensure that the Chief Fire Officer is made responsible to the authority for all aspects of operational management**

The Job Description of the Chief Fire Officer and Scheme of Delegation to Officers state that the Chief Fire Officer is responsible for taking and implementing decisions that are concerned with the operational effectiveness of the Fire and Rescue Service.

~~Procedures are currently being developed~~ **A procedure is in place** for the performance of the Chief Fire Officer, which is linked to the strategic aims and corporate objectives of the Fire Authority, to be assessed annually by the Chair and Vice-Chair of the Authority.

j) **Ensure that a senior officer is 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**

The Treasurer is the Fire Authority's most senior professional finance officer and a member of the senior management team in the Brigade. The post of Treasurer is identified in the Shropshire Fire Services (Combination Scheme) Order 1997 with responsibility for the combined fire service fund, **as amended by subsequent legislation enabling the Fire Authority to become self-precepting**. As such, the Treasurer is the officer responsible for the proper administration of the financial affairs of the Fire Authority (in effect the equivalent of the section 151 officer).

The Job Description of the Treasurer sets out clearly his role and responsibilities. The Scheme of Delegation to Officers and Standing Orders for the Regulation of Financial Matters and Financial Regulation also stipulate the responsibilities of the Treasurer.

In the absence of the Treasurer, the Principal Accountant, **as deputy section 151 officer**, undertakes the responsibilities outlined above.

k) **Ensure that a senior officer is made responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with**

The Fire Authority has an agreement with Borough of Telford & Wrekin for the provision of Clerk and Monitoring Officer services. The agreement sets out the scope of work of the Clerk and Monitoring Officer and stipulates that this work will be conducted by the current Head of Legal and Democratic Services of the Borough of Telford & Wrekin. In her absence the role is undertaken by the Fire Authority's Deputy Monitoring Officer, who is currently the Head of Legal Services at Borough of Telford & Wrekin.

l) **Ensure that the roles and responsibilities of all senior officers, together with the terms of their remuneration and its review, are clearly defined in writing**

The roles and responsibilities of all senior officers are clearly defined in job descriptions and delegations to specific officers are documented in the Scheme of Delegation to Officers. The terms of officers' remuneration, including its review, are defined in their contracts of employment. For Principal Officers ~~a system of review is to be established~~ **a review of remuneration is carried out** by the **Fire Authority's** Principal Officers Employment Panel.

- m) **Adopt clear protocols and codes of conduct to ensure that the implications of supporting community political leadership for the whole authority are acknowledged and resolved**

The Fire Authority has in place a Model Code of Conduct for Members and Standards Committee procedures, together with more detailed protocols and notes of guidance for members, *contained in the Fire Authority Handbook for members.*

Risk Management and Internal Control

The Fire Authority will:

- a) **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 services**

~~In December 2004 thirteen officers from key areas throughout the Brigade attended a workshop to identify key risks to the organisation. The output from the workshop was a list of the twelve most significant risks, underpinned by details of the category of risk and the strategic aims and corporate objectives affected, if the risks were to be realised. This work will now be aligned with new corporate objectives arising from the Fire and Rescue Services Act 2004 and National Framework 2005/2006 to produce the Statement of Internal Control, required for the 2004/05 Statement of Accounts.~~

The Fire Authority has embedded a robust system for identifying and evaluating all significant risks, which is tied in with producing its annual Statement on Internal Control and Improvement Plan. The Brigade's senior management team proactively participates in the process, which involves the following steps:

- ***The Fire Authority defines its objectives;***
- ***The risks to achieving those objectives are identified;***
- ***The way those risks are controlled is identified;***
- ***Assurances are obtained about the effectiveness of the key controls;***
- ***Any weaknesses or gaps in the key controls are evaluated;***
- ***An action plan is produced to address any gaps or weaknesses; and***
- ***The Fire Authority produces a clear statement on its internal controls.***

As part of this process all reports to the senior management team and to the Fire Authority must consider any significant risk implications. These are also a standing item on the agenda for each senior management team meeting. In addition the Fire Authority maintains and regularly reviews a Corporate Risk Register, which sets out and evaluates all significant risks identified.

Furthermore, regular assessment of risk is paramount to the successful outcome of projects and is achieved through PRINCE2 project management.

On a regional level, this Fire Authority's Integrated Risk Management Planning (IRMP) co-ordinator is currently working on a form of risk assessment linked into the Regional Management Board IRMP project. This will look at the risks associated with the aims and objectives of each authority within the region to assist in improved business planning ***and other constituent authorities of the West Midlands Regional Management Board continue to explore opportunities for greater collaboration in Integrated Risk Management Planning to enhance risk reduction in the community.***

- b) **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, regulations and relevant statements of best practice and need to ensure that public funds are properly safeguarded and used economically, efficiently and effectively, and in accordance with statutory and other authorities that govern their use.**

The Fire Authority's internal control environment comprises many systems, policies, procedures and operations in place to:

- Establish and monitor the achievement of the Authority's objectives
- Facilitate policy and decision making
- Ensure compliance with established policies, procedures, laws and regulations
- Identify, assess and manage the risks to the Authority's objectives
- Ensure the economical, effective and efficient use of resources, and secure continuous improvement in the way in which the Authority's functions are exercised, having regard to a combination of economy, efficiency and effectiveness as required by the Best Value duty
- Provide appropriate financial management of the Authority and the reporting of financial management
- Ensure adequate performance management of the Authority and the reporting of performance management.

The Brigade's Risk Management Group is responsible for ensuring that the Fire Authority has an effective and efficient risk management process in place. The Group meets at least quarterly and reports to the Brigade's senior management team and to the Fire Authority. The Brigade's Officers have established a Risk and Claims Management Group, the aim of which is to manage **considers** risk and claims with a view to preventing accidents and claims in the future and thereby improving the working environment for employees. Officers involved in the Group are the Risk and Safety Manager, the Personnel Manager and the Committee and Administration Manager. It is intended to extend the remit and membership of this Group, so that in future it will consider risk and risk management at strategic level.

Internal Audit has undertaken a number of planned reviews of systems and internal control procedures across a range of functions in the Authority. Each review contains an opinion on the internal controls in place and any unsatisfactory audit opinions result in recommendations for improvement, which are implemented by management. Copies of these reviews are sent to the Authority's Treasurer and discussed with the External Auditors. Internal Audit work is guided by, and reflects, professional best practice, in particular the Chartered Institute of Public Finance and Accountancy Code of Practice on Local Government Internal Audit.

The Fire Authority will conduct, at least annually, a review of the effectiveness of the system of internal control. The review of the effectiveness of the system will be informed by the work of:

- The Authority's Monitoring Officer
- Legal advisors to the Authority
- Internal Auditors
- Managers within the Authority, who have responsibility for the development and maintenance of the internal control environment.

Comments made by the External Auditors and other review agencies and inspectorates in their Annual Audit Letters and other reports will contribute to this review.

c) Ensure that services are delivered by trained and experienced people

The Fire Authority has a well established and documented recruitment process. All posts have job descriptions and person specifications, **or PQA (personal qualities and attributes) documents**, detailing the essential and desirable abilities, qualifications and experience necessary to undertake the duties of the post.

The Fire Authority has obtained and retained 'Investors in People' accreditation, which recognises the organisation's commitment to train and develop its staff. Staff personal development and appraisal reviews take place at least once a year, when development needs are identified and appropriate training provided.

The Fire Authority has its own dedicated training centre, which not only focuses upon firefighting activities but has also been instrumental in gaining approved centre status from two national vocational qualification bodies. This status recognises that the organisation has the quality processes, procedures and staff in place to deliver a wide range of vocational qualifications, including management, administration, call handling and training and development. The training centre is supplemented by several satellite training facilities, strategically sited throughout Shropshire to ensure accessibility of quality training to all staff. The availability of county based training facilities plays a major role in delivering quality training tailored to local needs.

Furthermore, the Fire Authority's full participation in Assessment Development Centres for the Fire and Rescue Service ensures that it has a robust process for identifying those with the potential to progress through supervisory, middle and strategic levels.

d) Put in place effective arrangements for an objective review of risk management and internal control, including internal audit

A review of systems of internal financial control forms part of the annual audit conducted by the Audit Commission. The Annual Audit letter 2003/04 states that **no each year whether or not any** significant weaknesses were identified in the systems of internal financial control.

Internal Audit is also considered annually by the Audit Commission. In its Annual Audit Letter 2003/04 the Audit Commission states that **whether** it is satisfied with the quality and coverage of Internal Audit's work.

The Fire Authority has maintained and reviewed its system of internal control in a number of ways. In particular the Authority has received and/or adopted:

- **Strategic Performance** Plan targets
- Procurement Strategy and Contract Standing Orders
- Standing Orders for the Regulation of Financial Matters and Financial Regulation
- **Annual** Statement of Accounts 2003/04
- **Statement on Internal Control and Improvement Plan**
- Risk Management Policy Statement
- Treasury Management Policy
- Prudential Guidelines
- External Auditor's Annual Letter

- Budget monitoring reports
- Performance reports
- Medium-term financial strategy and budget
- **Annual** External Audit plans for the 2003/04 audit
- Comprehensive Performance Assessment interim report

The Authority's ~~Policy Group~~ **senior management team** carries out a continuous assessment of the implementation of policies and procedures throughout the organisation, including following up on progress against the ~~action~~ **improvement** plans derived from the **Statement on Internal Control Risk Management Policy**. ~~They have also conducted a review of Risk Management and reported that good progress was being made as the function developed. A review of the Risk Management process is included in the Internal Audit plan.~~

e) Maintain an objective and professional relationship with external auditors and statutory inspectors

Regular meetings take place between the Fire Authority's Chief Fire Officer, Treasurer and Principal Accountant and Audit Commission personnel to agree approaches to work required and discuss key issues. The Annual Audit Letter is discussed with the Audit Commission and presented by the Commission to the Fire Authority.

During the Comprehensive Performance Assessment Review conducted in February 2005 officers of the Fire Authority maintained a professional approach and accommodated all requests made by the Review Team. ~~The interim feedback provided by the Team was presented to members and its final report will be considered by the full Fire Authority.~~

f) Publish on a timely basis, within the Performance Plan, an objective, balanced and understandable statement and assessment of the authority's risk management and internal control mechanisms and their effectiveness in practice

~~A statement on the system of internal financial control, including risk management, was published in the Statement of Accounts 2003/04 (pages 5 to 7). A Statement of Internal Control, which includes financial and other controls, risk management and the wider aspects of corporate governance is currently being drafted and will be published **each year** in the 2004/05 **Annual** Accounts in July 2005.~~

Standards of Conduct

The Fire Authority will:

a) Develop and adopt formal codes of conduct defining the standards of personal behaviour to which individual members, officers, and agents of the authority are required to subscribe and put in place appropriate systems and processes to ensure that they are complied with

Two corporate objectives associated with Strategic Aim 5 – Provide a service committed to the highest levels of equality and fairness – state that we will:

- Provide a fair and equitable service to the communities of Shropshire
- Provide a fair, equitable and dignified place of work for all employees

and are fundamental to all that the Fire Authority does.

The Fire Authority has **a wide range of** the following codes and policies for **governing the conduct of** members and officers **including**:

- Members' Model Code of Conduct
- **Members' Protocol on Gifts and Hospitality**
- Standards **Committee** Procedures
- Corporate Equality Policy Statement
- Ground Rules for a Fair and Equal Opportunity Workplace
- **Equality of Opportunity and Fairness at Work**
- Brigade Order on Whistle Blowing
- Brigade Order on Gifts and Hospitality for Officers
- **Anti-Fraud and Corruption Strategy**
- Health and Safety Policy
- IT Policy
- **Standards of Dress and Appearance**
- **Smoking in the Work Place**
- **Alcohol and Employment**
- **Substance Misuse and Employment**

The Government has recently carried out a consultation exercise on a model code of conduct for Local Government employees and it is anticipated that it will introduce such a code in the near future, in which case it would be taken to the Fire Authority for adoption.

The Fire Authority's Standards Committee has a remit and process to deal with breaches of the Members' Model Code of Conduct. For staff there is a clear and fully documented disciplinary process to deal with misconduct.

~~Although, in the view of the Audit Commission in its Annual Audit letter 2003/04, the Fire Authority's arrangements to prevent and detect fraud and corruption are generally sound, there is no formal published fraud and corruption strategy. Officers are currently working on such a strategy with the aim of taking a policy to the Fire Authority for adoption in April 2005.~~

The Fire Authority has a well-established complaints procedure, which details how complaints should be handled and monitors the process. The Complaints Log, containing all complaints made, is available to members at each meeting of the Fire Authority and an annual report is taken to the Authority, outlining the complaints made, action taken and lessons learned.

- b) **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**

The Members' Model Code of Conduct stipulates that members of the Fire Authority must not be influenced by prejudice, bias or conflicts of interest in any matter relating to the Authority. Declarations of interest appear as an **standing** item on the agenda for **all** Fire Authority meetings and meetings of its committees. Each member, including independent members of the Fire Authority's Standards Committee, must complete a Register of Interests, which is held at Brigade Headquarters and **is open to public inspection. The Register is** updated as necessary and at least annually.

Officers are also required to declare formally any interest in contracts or proposed contracts. **The Brigade also has in place a system for registering the business**

interest of its most senior officers and those involved in financial matters. In this way the Fire Authority ensures that its members and officers are not involved in decisions or processes, in which they may have a conflict of interest.

c) **Put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and to monitor their continuing compliance in practice**

The Fire Authority has the following codes and policies for members and officers:

- Members' Model Code of Conduct
- **Members Protocol on Gifts and Hospitality**
- **Standards Committee Procedures**
- Corporate Equality Policy Statement
- Ground Rules for a Fair and Equal Opportunity Workplace
- ~~Brigade Order on Gifts and Hospitality for Officers~~
- **Equality of Opportunity and Fairness at Work**
- **Brigade Order on Whistle Blowing**
- **Anti-Fraud and Corruption Strategy**

These documents are based on Government guidance and best practice and lay down the standards expected of both members and staff. If breached, they will be properly investigated in accordance with Fire Authority's Standards Committee procedures, ~~Brigade Order on Whistle Blowing~~, Guide to Complaints or disciplinary procedures. An annual report on breaches of the Members' Model Code of Conduct and on complaints received is taken to the Fire Authority.

d) **Put in place arrangements for whistle blowing to which staff and all those contracting with the authority have access**

The Brigade Order on Whistle Blowing actively encourages staff to 'blow the whistle' in situations where they believe there is wrongdoing and explains how they should do so. This policy ~~will be~~ **is** further reinforced by the **Fire Authority's** Anti-Fraud and Corruption Strategy ~~to be considered by the Fire Authority in April 2005.~~ **There is a standard clause in Fire Authority contracts advising contractors of the whistle blowing policy.**

Shropshire and Wrekin Fire Authority

Anti-Fraud and Corruption Strategy

Introduction

Shropshire and Wrekin Fire Authority employs over 550 staff, and manages a revenue budget of over £**18m** per year. In administering its responsibilities, the Fire Authority is set against fraud and corruption, whether it is attempted from inside or outside of the organisation. To this end, it is committed to an effective anti-fraud and corruption strategy designed to:

- encourage prevention;
- promote detection; and
- identify a clear pathway for investigation.

This strategy is based on a series of comprehensive and inter-related procedures designed to prevent, detect and deter fraud and to take effective action against any attempted or actual fraudulent act affecting the Authority.

Scope

It is expected that all officers (permanent and temporary) and Members of the Authority will lead by example, and ensure adherence to legal requirements, rules, procedures and practices.

The Fire Authority also expects that the individuals and organisations that it comes into contact with (i.e. suppliers, contractors, service providers and consultants) will act towards the Authority with integrity and without thought or actions involving fraud and corruption.

Culture

The Fire Authority's employees are an important element in its stance on fraud and corruption, and they are positively encouraged to raise any concerns that they may have on these issues where they are associated with the Authority's activity.

The Fire Authority's Brigade Order, "Reporting of Illegality and Malpractice (Whistleblowing)" gives details about the support and safeguards that are available to those who do raise concerns.

Members of the public can also report concerns through the Fire Authority's complaints procedure, the District Auditor or the Local Government Ombudsman, or, where the conduct of Members is concerned, through the Standards Board for England.



The Fire Authority participates in the National Fraud Initiative, the Audit Commission's bi-annual data matching exercise, which seeks to detect fraudulent payments from the public purse. In addition, the Authority proactively incorporates anti-fraud work into its Internal Audit plans.

Prevention

Officers of the Fire Authority are recruited in accordance with **Human Resources** guidelines documented in Brigade Orders, and are subsequently expected to adhere to the Authority's procedures, practices and policies.

Officers who are members of professional bodies must follow that body's Code of Conduct. Officers may also voluntarily register membership of other bodies. **The Authority's** Brigade Order "**Gifts and Hospitality**" outlines the procedure to be followed by officers, if they receive gifts or hospitality **from a supplier or other stakeholder**.

Members must sign an undertaking to abide by the Fire Authority's Code of Conduct and any breaches of this Code are dealt with by the Standards Board for England. Under the Code Members must complete a register of their financial and other interests, which is available for inspection by the public. ~~They must also provide written notification to the Monitoring Officer of any gifts or hospitality over the value of £25.~~ **The Fire Authority also has in place a detailed Protocol on Gifts and Hospitality for Members.**

The agenda for every meeting of the Authority includes an item on declarations of interest, at which point Members must declare if they have a personal or prejudicial interest in any business to be considered at that meeting. If the interest is prejudicial the Member must leave the meeting when that item is considered. Members are also required annually to declare any related party transactions.

Financial regulations and standing orders relating to contracts and for the regulation of business are in place to ensure that Members and officers act in accordance with best practice when dealing with the Fire Authority's affairs. The Authority has a statutory duty under section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs, and ensure that one of its officers has responsibility for the administration of these affairs. The Authority's designated Chief Finance Officer is the Treasurer. **In his absence the Principal Accountant acts as the deputy section 151 officer.**

The Fire Authority has developed systems and procedures which incorporate efficient and effective internal controls and which include adequate segregation of duties. The Treasurer is responsible for the operation and documentation of such systems. Their existence and appropriateness is independently reviewed and reported upon by Internal Audit Services at Shropshire County Council.

Reporting of Financial Malpractice

The Authority is committed to ensuring the prevention and detection of fraud and corruption, and will endeavour to investigate all potential occurrences in a prompt and timely manner.

In the event that an employee is concerned about suspected unlawful conduct, they should speak in the first instance to their line manager, or, if this is not appropriate, to a senior manager.



Senior management are responsible for following up any allegation of fraud or corruption received, and will be expected to deal with it urgently, referring it to the Treasurer, or, if this is not appropriate, to Internal Audit Services.

The Treasurer has statutory duties in relation to financial administration and stewardship on behalf of the Fire Authority. Section 114 of the Local Government Finance Act 1988 requires the Treasurer to report to the Authority, if one of its officers

- has made, or is about to make a decision, which involves incurring unlawful expenditure
- has taken, or is about to take, an unlawful action, which has or would result in a loss or deficiency to the Fire Authority
- is about to make an unlawful entry in the Fire Authority's accounts

Procedures are in place within Internal Audit Services to investigate any allegations presented to them. The Treasurer, together with the fire Authority's Internal Auditors, will

- deal promptly with the matter
- record all evidence received
- ensure that evidence is sound and adequately supported
- ensure security of all evidence collected
- contact other agencies where necessary, e.g. the Police
- implement the Authority's disciplinary procedures where appropriate

Conclusion

This Strategy demonstrates that Shropshire and Wrekin Fire Authority has systems and procedures in place to assist in the fight against fraud and corruption.

The Strategy will be brought to the attention of all employees and Members, and will be reviewed annually to ensure that its contents remain up-to-date.

