

## Review of Anti-Fraud and Corruption Strategy

### Report of the Treasurer

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### 1 Purpose of Report

This report requests the Committee to recommend that the Fire Authority re-affirm the Anti-Fraud and Corruption Strategy (attached as an appendix), following the annual review conducted by officers.

### 2 Recommendations

The Committee is asked to consider the Anti-Fraud and Corruption Strategy, attached as an appendix, and to recommend that the Fire Authority:

- a) Re-affirm the Strategy (with or without amendment); and
- b) Delegate authority to the Monitoring Officer to amend the wording as necessary to reflect the requirements of forthcoming regulations.

### 3 Background

At its meeting on 25 April 2005, the Fire Authority adopted an Anti-Fraud and Corruption Strategy, which is designed to:

- Encourage prevention;
- Promote detection; and
- Identify a clear pathway for investigation.

The Strategy is reviewed annually by officers and the Audit and Performance Management Committee. Any amendments proposed are then taken to the Fire Authority for consideration.

## **4 Review**

Your officers have now reviewed the Strategy and propose amendments, which highlight the responsibilities of both officers and Members in promoting an anti-fraud, bribery and corruption culture within the organisation. The proposed amendments also reflect the requirements of the Bribery Act 2010 and the Localism Act 2011 relating to standards.

Regulations, flowing from the Localism Act and which may impact on the wording relating to the disclosure of interests, are, however, still awaited. It is, therefore, proposed that authority be delegated to the Monitoring Officer to amend the wording as necessary, once the regulations have been published.

A copy of the draft Strategy is attached as an appendix. Additions to be agreed are shown in bold italics and deletions struck through.

Following approval by the Fire Authority at its April meeting, the Strategy will be available for Members to view on the dedicated area of the Authority's website. It will also be brought to the attention of all employees on the Service's weekly newsletter.

The Strategy will be kept under review, and any changes required during the forthcoming year will be brought to the attention of the Committee.

## **5 Financial Implications**

There are no direct financial implications arising from this report.

## **6 Legal Comment**

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

## **7 Equality Impact Assessment**

An Initial Equality Impact Assessment has been completed. .

## **8 Appendix**

Draft Anti-Fraud and Corruption Strategy

## **9 Background Papers**

There are no background papers associated with this report.



## Anti-Fraud, *Bribery* and Corruption Strategy

### Introduction

Shropshire and Wrekin Fire and Rescue Authority employs over 600 staff, and manages a revenue budget of over ~~£20m~~ **£21m** per year. In administering its responsibilities, the Authority is set against fraud, *bribery* and corruption, whether it is attempted from inside or outside of the organisation. To this end, it is committed to an effective anti-fraud, *bribery* and corruption strategy designed to:

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

The key objectives of this Strategy are to minimise losses through fraud, *bribery* and corruption, and to embed further the management of fraud risk within the culture of the organisation.

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 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, *bribery or* and corruption.

### Authority

The responsibility for an anti-fraud, *bribery* and corruption culture is the joint duty of those involved in giving political direction, determining policy and management. The Audit and Performance Management Committee is key in recommending that sufficient authority is given to anti-fraud, *bribery* and corruption activity. The Authority's management teams are responsible for ensuring a strong anti-fraud culture within their areas, and that staff accept their responsibility for preventing and detecting fraud, *bribery* and corruption.

In order for the Authority to deal effectively with suspected incidents of fraud, those responsible for investigating matters must be fully supported by all officers and Members.

## Culture

The Authority encourages a culture of honesty and opposition to fraud, **bribery** and corruption. Members and officers at all levels are expected to lead by example in ensuring adherence to established rules and procedures and to ensure that all procedures and practices are legally sound and honest.

The Authority's employees are an important element in its stance on fraud, **bribery** 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 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 Authority's complaints procedure, **external audit** the District Auditor or the Local Government Ombudsman, or, where the conduct of Members is concerned, through the Fire Authority's **Monitoring Officer Standards Committee**.

The 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

### Staff

A key preventative measure in the fight against fraud, **bribery** and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff, in terms of their propriety and integrity. In this regard, temporary and casual staff should be treated in the same manner as permanent staff.

Once officers are recruited in accordance with Human Resources guidelines, they are 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 **are offered** receive gifts or hospitality from a supplier or other stakeholder.

### Members

Members must sign an undertaking to abide by **are subject to** the Authority's Code of Conduct. and any **Any** allegations of breach of the Code are dealt with by the Fire Authority's **Monitoring Officer and may, in certain instances, be referred on to its Standards Committee. Members are also required to declare their interests in accordance with the law and with the provisions of the Code of Conduct.**

Under the Code Members must complete a register of their financial and other interests, which **A register of interests of Members is maintained by the Fire Authority's Monitoring Officer and** is available for inspection by the public **at Service Headquarters.** and

**The register** is also accessible on the Service's website at the following link:

<http://www.shropshirefire.gov.uk/managing-the-service/fra/members>

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~~ **an** interest in any business to be considered at that meeting **in accordance with statutory provisions**. ~~If the interest is prejudicial the Member may speak about the issue but then must leave the room when that item is considered.~~ Members are also required annually to declare any related party transactions.

## **Systems and Procedures**

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 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~~ **the absence of the Treasurer** the ~~Principal Accountant~~ **Head of Finance** acts as the deputy section 151 officer.

The 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 Council.

***Members and officers should avoid any situations where there is potential for a conflict of interest.***

## **Reporting of Financial Malpractice**

The Authority is committed to ensuring the prevention and detection of fraud, **bribery** 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, **bribery** 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 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 **resulted** or would result in a loss or deficiency to the Authority
- is about to make an unlawful entry in the Authority's accounts

Procedures are in place within Internal Audit Services to investigate any allegations presented to them. The Treasurer, together with the 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

## Outcomes

Following an investigation, the outcomes and findings of the investigation will be used to strengthen management processes and systems already in place, to ensure that any potential reoccurrences of fraud, **bribery** or corruption are minimised.

## Conclusion

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

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