

AWDURDOD TÂN AC ACHUB GOGLEDD CYMRU



NORTH WALES FIRE AND RESCUE AUTHORITY

A meeting of the **AUDIT COMMITTEE** will be held
MONDAY 15 SEPTEMBER 2025 at **09.30 hrs**
virtually **via Zoom**

Yours faithfully,
Gareth Owens
Clerk

AGENDA

1. Apologies

2. Declarations of Interest

3. Notice of Urgent Matters

Notice of items which, in the opinion of the Chairman, should be considered at the meeting as a matter of urgency pursuant to Section 100B (4) of the Local Government Act, 1972.

4. Minutes of the Meeting held on 16 June 2025

5. Matters Arising

6. Welsh Government Consultation regarding the Governance Arrangements for Fire and Rescue Services in Wales, for information

7. Treasury Management Update Q1 2025-26, for information

8. Certification on compliance with LGM 2009 performance assessment requirements 2025/26, for information

9. The Economic Crime and Corporate Transparency Act 2023, for information

10. Updated Financial Regulations, for endorsement

11. Audit Wales's 'Putting out future fires' Report, for endorsement

Urgent Matters

To consider any items which the Chair has decided are urgent (pursuant to Section 100B (4) of the Local Government Act, 1972) and of which substance has been declared under item 3 above.

PART II

It is recommended pursuant to Section 100A (4) of the Local Government Act, 1972 that the Press and Public be excluded from the meeting during consideration of the following item(s) of business because it is likely that there would be disclosed to them exempt information as defined in Paragraph(s) 12 to 18 of Part 4 of Schedule 12A of the Local Government Act 1972.

12. Internal Audit Progress Report 2025-26 and Follow-Up of Recommendations, for endorsement

13. Perfect Circle Contract for Training Centre, for information

NORTH WALES FIRE AND RESCUE AUTHORITY
AUDIT COMMITTEE

Minutes of the **Audit Committee** of the North Wales Fire and Rescue Authority held on Monday 16 June 2025 virtually via Zoom. Meeting commenced at 09.30hrs.

Councillor

Mark Young (Chair)
Bryan Apsley
Tina Claydon
Ann Davies
Sharon Doleman
John Brynmor Hughes
Gareth R Jones
Marc Jones
Arwyn Herald Roberts
Austin Roberts

Representing

Denbighshire County Council
Wrexham County Borough Council
Flintshire County Council
Denbighshire County Council
Conwy County Borough Council
Gwynedd Council
Conwy County Borough Council
Wrexham County Borough Council
Gwynedd Council
Conwy County Borough Council

Also present:

Helen MacArthur
Justin Evans
Anthony Jones
Elgan W Roberts
Dafydd Edwards
Gareth Owens
Matthew Powel
Angharad Ellis
Kieran Vickery
Carwyn Rees
Timothy Buckle
Steve Morris
Marian Lloyd Rees
Lisa Allington

Assistant Chief Fire Officer
Assistant Chief Fire Officer
Assistant Chief Fire Officer
Head of Finance and Procurement
Treasurer
Monitoring Officer
Assistant Monitoring Officer
MIAA
Audit Wales
Audit Wales
Audit Wales
Head of ICT
Translator
Executive Assistant – minute taker

1.0 APOLOGIES

Councillor

Beverley Parry-Jones
Gwynfor Owen (Deputy Chair)

Representing

Wrexham County Borough Council
Gwynedd Council

ABSENT

Marion Bateman
Jeff Evans

Flintshire County Council
Anglesey County Council

2.0 DECLARATIONS OF INTEREST

2.1 There were no declarations of interest to record.

3.0 NOTICE OF URGENT MATTERS

3.1 No notices of urgent matters were submitted.

4.0 MINUTES OF THE MEETING HELD ON 17 MARCH 2025

4.1 The minutes of the meeting held on 17 March 2025 were submitted for approval. A proposal was made that they were a true and accurate record of proceedings. This was seconded and passed with all in favour.

4.2 RESOLVED to:

i) approve the minutes as a true and accurate record of the meetings held, noting the above amendments.

5.0 MATTERS ARISING

5.1 There were no matters arising.

6.0 HEAD OF INTERNAL AUDIT OPINION AND ANNUAL REPORT 2024/25

6.1 Angharad Ellis from MIAA was welcomed to the meeting and presented the Head of Internal Audit Opinion and Annual Report for 2024/25, a report that was required annually to enable North Wales Fire and Rescue Authority (the Authority) to conduct a review of the effectiveness of its system of Internal Control.

6.2 It was noted that CIPFA's Public Sector Internal Audit Standards 2017 required the Head of Internal Audit to provide the Audit Committee with assurance on the whole system of internal control, including the adequacy of risk management and corporate governance arrangements. The report analysed the work of the Internal Audit Service for 2024/25 and contained the assurance statement based on the work of Internal Audit during the year ended March 2025.

6.3 Angharad Ellis confirmed that overall the level of assurance on the internal controls was substantial. It was highlighted that limited assurance had been given in relation to the risk management arrangements and Members asked if there was a plan to deliver improvements in this area. Angharad responded that recommendations had been agreed and follow up arrangements were in place.

6.4 RESOLVED to:

- i) note the content of the Head of Audit and Procurement's Annual Report and the overall 'opinion' upon the adequacy and effectiveness of the Authority's framework of governance, risk management and control**

7.0 INTERNAL AUDIT PROGRESS REPORT JUNE 2025

- 7.1 Angharad Ellis was invited to present the Internal Audit Progress Report June 2025, the purpose of which was to provide Members with an update of the work undertaken by the Authority's internal audit providers, MIAA, for the 2024/25 financial year and for the period to 31 May 2025.
- 7.2 The Chair noted that he had recently been in a meeting with Officers around the content of this report and felt that there remained some work to be done in relation to risk. ACFO Jones responded that progression with risk management was ongoing and close collaboration with MIAA continued.
- 7.3 A Member asked if bringing forward the cyber security risk should be considered as it appeared to be prevalent globally at the current time. Angharad responded that a further review of cyber security was scheduled for 2026/27, and a deep dive had taken place as part of the 2024/25 plan with recommendations due to be followed up this year to ensure completion. It was also the first risk on the Strategic Risk Register.
- 7.4 ACFO MacArthur further confirmed that work continued towards the Cyber Assurance Framework, the Welsh Government public sector model, but there felt that there could be a separate session to provide information to Members on arrangements, key risks, and the direction being worked on. It was agreed that Members would be further updated at a future date, either as a Part II item or in a separate meeting. It was agreed that this was an important issue that should permeate day to day activities for all staff.
- 7.5 Steve Morris, Head of ICT, confirmed that focus was on the Cyber Assessment Framework as the Welsh Local Government Association (WLGA) was leading this essential piece of work, pushing for all public sectors to achieve that in 2025. A further meeting would take place with MIAA within the next few weeks in order to assess progress against agreed recommendations.
- 7.6 ACFO Jones also advised that, as a Strategic Risk it was directly assigned to the Information Steering Committee, and that regular meetings took place with both the Chair and Deputy Chair of the Authority to discuss the Risk Register on a regular basis.

7.7 RESOLVED to:

- i) Note the work undertaken by MIAA during 2024/25; and**
- ii) note the progress made in implementing the agreed recommendations.**

8.0 SAFEGUARDING ANNUAL UPDATE 2024-25

- 8.1 ACFO Anthony Jones delivered the Safeguarding Annual Update for 2024-25, a document which outlined the safeguarding activities undertaken by North Wales Fire and Rescue Service (the Service) between 1 April 2024 and 31 March 2025. It reaffirmed the Service's commitment to protecting vulnerable individuals across North Wales, detailing the number and nature of safeguarding referrals made for both children and adults at risk. The report also highlights the proactive role of staff in identifying and responding to signs of abuse, neglect, and exploitation.
- 8.2 A Member asked about the workload associated with making referrals as some areas appeared to be underreported, and ACFO Jones responded that the process was straightforward and well embedded within the Service. However, there was a plan in place to make improvements and it remained an area of dedicated focus with resources made available as required.
- 8.3 A Member asked if there were any trends in the data, and ACFO Jones agreed that further data analysis would be carried out and fed back to Members outside of the meeting.
- 8.4 ACFO Evans noted that these safeguarding referrals were generally made in connection with persons that were not already known to other partner agencies and so this was an important area of work.

8.5 RESOLVED to:

- i) Expand internal training capacity by supporting staff to achieve higher safeguarding qualifications;**
- ii) enhance safeguarding awareness in low-referral areas like Wrexham and Ynys Môn through targeted outreach and training;**
- iii) strengthen data collection and analysis to better monitor trends and inform strategic decisions; and**
- iv) implement functional safeguarding leads across all operational areas to ensure consistent practice and leadership.**

9.0 TREASURY MANAGEMENT REPORT FOR YEAR 2024/25

- 9.1 Dafydd Edwards presented Members with the Treasury Management Report for Year 2024/25 which provided an update on the treasury management activity and compliance with the treasury management prudential indicators for the period 1 April 2024 – 31 March 2025.
- 9.2 A Member asked if there were any concerns moving forward, and the Treasurer responded that the global risks currently were concerning but in terms of their impact on the economic scenario, this was difficult to predict. Interest rates looked likely to decrease and so it had not impacted on the Service's borrowing costs yet; however, any escalation in the global arena might impact on inflation and as a result, the interest rates on borrowing might begin to increase.

9.3 RESOLVED to:

- i) note the treasury management activities and prudential indicators for the period 1 April 2024 to 31 March 2025.**

10.0 WELSH FIRE AND RESCUE SERVICES' PROCUREMENT STRATEGY 2025- 2030

- 10.1 Elgan Roberts delivered the Welsh Fire and Rescue Services' Procurement Strategy 2025- 2030, a common framework for all three fire and rescue services in Wales to deliver efficiencies, value for money and other benefits in relation to the acquisition of goods and services.
- 10.2 Elgan confirmed that background work was being carried out to capture the data and set up both a dashboard and Key Performance Indicators (KPI)'s moving forward. These were yet to be decided, but once they had, Members would be advised.
- 10.3 Officers were thanked for their hard work in this area, and for the executive summary within the report which clearly summarised its content.

10.4 RESOLVED to:

- i) Note and endorse the All-Wales Procurement Strategy 2025-2030**

11.0 BUDGET SETTING 2026-27

- 11.1 Elgan Roberts provided Members with a verbal update around the Budget Setting for 2026-27.
- 11.2 He noted that this updated looked ahead to the 2026/27 financial year and the work required over the next six months to set a fair and realistic budget.

- 11.3 In line with previous years, it was requested that a Budget Scrutiny Working Group be established to ensure financial oversight by the Authority. For this year, the budget-setting process had been reviewed to align more closely with the work of the planning, transformation, and risk management teams.
- 11.4 The intention was for the group to begin by reviewing the risks and how they fed into departmental objectives, and to receive an update on the training centre project. The focus would then move to income from partnerships and levies, reserves, and the new template for business cases, followed by a look at departmental budgets, a review of revenue requirements over three years and the ten-year capital plan to build a medium-term plan. The first draft version of the budget would be expected towards the end of September.
- 11.5 The second iteration of the budget would then be reviewed, with a particular emphasis on efficiency and savings. The aim would be to present the full budget in November, ensuring that all business cases had been approved. A reserve session would be scheduled in December in case any adjustments were required.
- 11.6 It was important to ensure that each local authority was represented, with a deputy attending if the nominated Member was unable to. Members agreed that the Budget Scrutiny Group was an effective and worthwhile group and should be continued. Nominations to be provided to Member Services.
- 11.7 The Treasurer asked for it to be noted that he had appreciated the work of this group over the last couple of years, and that he felt it had an important role in scrutinising the budget and communicating with local authorities at an early stage in relation to the proposed levies.

11.8 RESOLVED to:

- i) Note the information provided and for a representative from each local authority to be submitted to Member Services.**

12.0 DRAFT STATEMENT OF ACCOUNTS 2024-25

- 12.1 ACFO MacArthur presented the unaudited Statement of Accounts for 2024-25, including the revenue and capital outturn, balance sheet position, and usable reserve position for the Authority. Thanks were given to the Finance team, especially the Head and Deputy Head of the department, for all their hard work in producing this extensive and informative document within the statutory timescales.

- 12.2 ACFO MacArthur highlighted the detailed narrative report within the Statement of Accounts which provided a good overview of the Authority including key financial information. ACFO MacArthur confirmed that the outturn position was a surplus of £0.293m which included additional funding to support employer pension costs, payroll costs, grants and movements between reserves. The useable reserves at the year-end amounted to £10.879m and ACFO MacArthur noted that a breakdown was provided within Note 8 of the Statement of Accounts. An overview of the main reserves was provided.
- 12.3 A Member asked if the reserves held were enough to cover any risks, and ACFO MacArthur confirmed that they provided financial resilience against known issues, including higher than expected activity.
- 12.4 ACFO MacArthur outlined the responses provided to Audit Wales in respect of enquiries relating to fraud, compliance with laws and regulations and related party transactions. It was confirmed that the response had been approved by the Chair of the Fire Authority.
- 12.5 The Treasurer confirmed that he was happy to sign these draft accounts and thanked ACFO MacArthur, the Head and Deputy Head of Finance, and the remainder of the Finance department for the hard work that had been put into compiling these accounts. He further noted that Audit Wales had already commenced auditing them.

12.6 RESOLVED to:

- i) Note the unaudited revenue and capital outturn position;**
- ii) Note the unaudited balance sheet position;**
- iii) Note and endorse the movement to and from reserves; and**
- iv) Endorse the response to Audit Wales in relation to matters of governance relevant to the Statement of Accounts.**

13.0 ANNUAL GOVERNANCE STATEMENT 2024-2025

- 13.1 ACFO Anthony Jones presented to Members of the Audit Committee a draft Annual Governance Statement (AGS), as required by The Accounts and Audit (Wales) Regulations 2014, prior to submission to Audit Wales by the deadline of 31 May 2025.

13.2 RESOLVED to:

- i) Agree the proposed actions for 2024/25;**
- ii) to note that the draft Annual Governance statement was submitted to Audit Wales prior to the deadline of 31 May; and**
- iii) authorise that submission to Audit Wales prior to 31 May 2025.**

14.0 AUDIT PLAN 2025

- 14.1 Kieran Vickery from Audit Wales was welcomed to the meeting, along with Carwyn Rees and Tim Buckle, and advised Members that the purpose of this report was to confirm the 2025 Audit Plan which detailed the audit approach and work to be undertaken by Audit Wales as the Authority's statutory auditors.
- 14.2 Tim confirmed that the main focus of their work this year was on financial sustainability and the best time to carry out performance audit work would be identified in due course.
- 14.3 A Member asked, under the performance audit, if this would include work carried out on the Service's response to domestic dwelling fires, and if the plan was fit for purpose. Tim Buckle responded whilst they had a main area of focus for their work, their recommendations from previous work and the responses to them were continually monitored along with any risks that might come to light, and that plans were amended accordingly.
- 14.4 It was further asked, if there were any issues, how would Members be kept advised of that and Tim Buckle responded that they would communicate this to Members through the appropriate channels.

14.5 RESOLVED to:

- i) **Note the scope of the work undertaken by Audit Wales.**

15.0 URGENT MATTERS

- 14.1 There were no urgent matters to discuss.

Meeting closed 10:55

Report to	Audit Committee
Date	15 September 2025
Lead Officer	Dawn Docx, Chief Fire Officer
Contact Officer	Dawn Docx
Subject	Welsh Government Consultation regarding the Governance Arrangements for Fire and Rescue Services in Wales



PURPOSE OF REPORT

- 1 To bring to Members' attention the publication of a public consultation around future Governance Arrangements for Fire and Rescue Services (FRS) in Wales.

RECOMMENDATIONS

- 2 It is recommended that Members:
 - i) **Note the contents of the consultation; and**
 - ii) **Agree to attend a workshop to scrutinise the proposals and submit a response drafted on behalf of the Authority, setting out Members' views regarding the proposals.**

BACKGROUND


- 3 The existing governance arrangements for FRS in Wales were established through the three Combination Orders in 1996. These established the current Fire and Rescue Authorities (FRA) and the pooled funding mechanism via a levy from each constituent Local Authorities.
- 4 In 2018 Welsh Government (WG) published a white paper entitled "Reform of Fire and Rescue Authorities in Wales" Some Members will recall that after a period of consultation it was decided to progress only the proposals around funding, but these did not come to fruition due to the pandemic in 2020.
- 5 In 2024 WG intervened in South Wales Fire and Rescue Service (SWFRS) and replaced the FRA with Commissioners. In that same year Audit Wales undertook a review into governance arrangements of the FRS in Wales. In response to these two events WG has been considering options for change and have recently published some new proposals around FRS governance in Wales.

INFORMATION

- 6 The 12-week consultation was planned to be carried out over the summer, but with a delayed publication date this period will now extend into the Autumn.
- 7 The Cabinet Secretary for Housing, Local Government and Planning has engaged with the Chairs, Chief Fire Officers (CFOs) and Trade Unions by means of the Social Partnership Forum (SPF) where, as one might expect, there were a variety of opinions about the proposals. The Cabinet Secretary reminded members that the proposals in the paper covered changes that could be introduced now, within this Senedd term, rather than options that would require primary legislation in the next Senedd term.
- 8 The proposals are set out around three themes:
 - a) The Membership of FRAs or Boards.
 - b) Funding
 - c) Inspection of FRSs
- 9 The consultation started on the 29 August 2025, and it was shared with all public bodies in Wales.
- 10 It is proposed that a workshop should be held with Members to determine their views and to formulate their response to the consultation.

IMPLICATIONS

Well-being Objectives	This paper presents proposals which seek to improve governance arrangements around FRSs in Wales.
Budget	The mechanisms for agreeing the budget for FRSs may cause a reduction in funding.
Legal	These proposals can be actioned within the current combination orders and do not require primary legislation.
Staffing	Any budget reductions could have staffing implications.
Equalities/Human Rights/Welsh Language	N/A
Risks	The reduction of members appointed by local authorities could reduce the local scrutiny of FRSs.

Report to	Audit Committee	
Date	15 September 2025	
Lead Officer	Helen MacArthur, Assistant Chief Fire Officer	
Contact Officer	Elgan Roberts, Head of Finance and Procurement	
Subject	Treasury Management Report Q1 2025-26	

PURPOSE OF REPORT

- 1 The purpose of this report is to provide Members of the North Wales Fire and Rescue Authority (the Authority) with an update on the treasury management activity and compliance with the treasury management prudential indicators for the period 1 April 2025 – 30 June 2025.

EXECUTIVE SUMMARY

- 2 In December 2003, the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice (2021)* (the CIPFA Code) which requires the Authority to approve, as a minimum, treasury management semi-annual and annual outturn reports.
- 3 The CIPFA Code also included a new requirement for quarterly reporting of the treasury management indicators from April 2023. The non-treasury prudential indicators are incorporated in the Authority's normal revenue and capital monitoring report.
- 4 The Authority's treasury management strategy for 2025/26 was approved at a meeting on 4 April 2025. As the Authority borrows and invests significant sums of money there are financial risks that need to be considered, including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.
- 5 During the year, the Authority's borrowing and investments remained well within the limits originally set. There were no new defaults by banks in which the Authority deposited money.

RECOMMENDATIONS

- 6 Members are asked to:
 - i) **note the treasury management activities and prudential indicators for the period 1 April 2025 to 30 June 2025.**

EXTERNAL CONTEXT

- 7 UK headline Consumer Price Index (CPI) increased over the quarter, rising from an annual rate of 2.6% in March to 3.4% in May, well above the Bank of England's 2% target. The core measure of inflation also increased, from 3.4% to 3.5% over the same period. May's inflation figures were generally lower than in the previous month, however, when CPI was 3.5% and core CPI 3.8%. Services inflation was 4.7% in May, a decline from 5.4% in the previous month.
- 8 The BoE's Monetary Policy Committee (MPC) cut Bank Rate to 4.25% in May.
- 9 The Authority's treasury adviser maintained its view that Bank Rate would continue to fall, and that the BoE would focus more on weak GDP growth rather than above-target inflation. Two more cuts during 2025 are expected, taking the main policy rate to 3.75%.

LOCAL CONTEXT

- 10 On 30 June 2025, the Authority had net borrowing of £19.05m arising from capital expenditure.
- 11 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These factors are summarised in [Table 1](#) below.
- 12 Table 1 confirms that the Authority's net borrowings were below the Capital Financing Requirement (CFR).

Table 1: Balance Sheet Summary

	31.03.25 Actual £m	30.06.25 Actual £m
General Fund CFR	31.01	23.56
External borrowing	-19.07	-19.05
Internal borrowing	11.94	4.51
Less: Balance sheet resources	-14.46	-14.46
Less: New Investments	2.52	9.95
New borrowing	0.00	0.00

- 13 The treasury management position at 30 June and the change over the quarter is shown in [Table 2](#) below.

Table 2: Treasury Management Summary

	31.3.25 Balance	Movement	30.06.25 Balance	30.06.25 Rate
	£m	£m	£m	%
Long-term borrowing	8.46	0.00	8.46	2.81 - 4.80
Short-term borrowing	10.61	-0.02	10.62	1.07 – 5.20
Total borrowing	19.07	-0.02	19.05	
Short-term investments	0.00	-7.00	-7.00	4.20 – 4.45
Cash and cash equivalents	-2.52	-0.43	-2.95	3.50- 4.22
Total investments	-2.52	-7.43	-9.95	
Net borrowing	16.55	-7.45	9.10	

BORROWING

- 14 CIPFA's 2021 Prudential Code outlines that local authorities must not borrow to invest with the primary objective being financial return. It is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement requiring new borrowing, unless directly and primarily related to the functions of the Authority.
- 15 The Authority has not invested in assets for financial return and all expenditure is related to the discharge of the Authority's functions.

BORROWING STRATEGY AND ACTIVITY

- 16 As outlined in the treasury strategy, the Authority's main objective when borrowing has been to adopt a low-risk strategy balancing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 17 The cost of short-term borrowing from other authorities has been similar to Base Rate during the period at 4.0% to 4.5%.
- 18 The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.27% at the end. The lowest available 10-year maturity rate was 5.17% and the highest was 5.56%. Rates for 20-year maturity loans ranged from 5.71% to 6.16% during the period, and 50-year maturity loans from 5.46% to 5.97%.
- 19 As of 30 June 2025, the Authority held £19.05m of loans, a decrease of £0.02m compared to 31 March 2025. A summary of outstanding loans as of 31 March is provided in [Table 3A](#) below.

Table 3A: Borrowing Position

	31.3.25 Balance £m	Net Movement £m	30.06.25 Balance £m	30.06.25 Weighted Average Rate %	30.06.25 Weighted Average Maturity (years)
Public Works Loan Board	14.073	-0.02	14.053	3.200	7.150
Local authorities (short-term)	5.00	0.000	5.000	5.200	0.410
Total borrowing	19.07	-0.02	19.053		

- 20 The Authority took out a new £5M short-term local authority loan in December '24 due for repayment in August '25. All other short-term loans are held with the PWLB. Further borrowing is not required until August, however, if there is a sudden movement in the market with improved rates this will be utilised upon advised from our treasury advisors Arlingclose.

Table 3B: Long-dated Loans borrowed

	Amount £m	Rate %	Period (Years)
PWLB Maturity Loan	2.00	4.80	28
PWLB EIP Loan	0.59	3.09	13
PWLB EIP Loan	4.17	3.91	16
Total borrowing	6.76		

- 21 The Authority's borrowing decisions are not predicated on any one outcome for interest rates and seeks to maintain a balanced portfolio of short- and long-term borrowing.

TREASURY INVESTMENT ACTIVITY

- 22 CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20 December 2021. These define treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.
- 23 The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the quarter, the Authority's investment balances ranged between £1.03m and £13.73m. The investment position is shown in [Table 4](#) below.

Table 4: Treasury Investment Position

	31.3.25		30.06.25	30.06.25	30.06.25
	Balance	Net Movement	Balance	Income Return	Weighted Average Maturity
	£m	£m	£m	%	days
Banks & building societies	2.52	0.43	2.52	3.5-4.04	On call
Fixed Term		4.00	4.00	4.22	30
Central Government		3.00	3.00	4.21	11
Total investments	2.52	7.43	9.95		

- 24 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 25 As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments.
- 26 Bank Rate reduced from 4.5% to 4.25% in May with short term interest rates largely being around these levels. The rates on DMADF deposits ranged between 4.20% and 4.45% and money market rates between 3.50% and 4.22%.

COMPLIANCE

- 27 All treasury management activities undertaken during the year complied with the principles in the Treasury Management Code and the Authority's approved Treasury Management Strategy. North Wales Fire and Rescue Service (the Service) holds two call accounts that are used to place short term deposits, with Lloyds Bank and Barclays Bank. The interest rates being offered on treasury deposits tend to be more favourable; however, deposits were held with Lloyd and Barclays during the period due to the liquidity requirement for purchasing the land for the new training centre.
- 28 The Authority also utilises its Debt Management Office (DMO) account, as the Treasury Management Strategy allows for unlimited funds to be placed with the DMO.
- 29 Compliance with specific investment limits is demonstrated in [Table 5](#) below.

Table 5: Investment Limits

Institution	Description	Limit	30.06.25 Actual	Complied? Yes/No
Banks	All UK banks and their subsidiaries that have good ratings (Fitch or equivalent). This is currently defined as long term (BBB)	£5m	£9.95m	yes
Central Government	Debt Management Office (DMO)	Unlimited	0	yes
Money Market Funds (MMF)	Only in conjunction with advice for Arlingclose	£1m per fund	0	yes
Local Authorities	All except those subject to limitation of council tax and precepts under Part 1 of the Local Government Finance Act 1992	£2m	0	yes
Building Societies	Building societies with a rating (as for the banking sector)	£2m	0	yes
Building Societies (Assets £1bn)	Building societies without a rating but with assets of £1billion or more	£2m/9 months	0	yes

- 30 Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in [Table 6](#) below.

Table 6: Debt and the Authorised Limit and Operational Boundary

	30.06.25 Actual £m	2025/26 Operational Boundary £m	2025/26 Authorised Limit £m	Complied?
Borrowing	19.05	28.99	30.99	Yes
Total debt	19.05	28.99	30.99	

- 31 Since the operational boundary is a management tool for in-year monitoring there may be occasions when actual borrowing exceeds this target. This may be due to variations in cash flow and short-term breaches would not count as a compliance failure.

TREASURY MANAGEMENT INDICATORS

- 32 As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

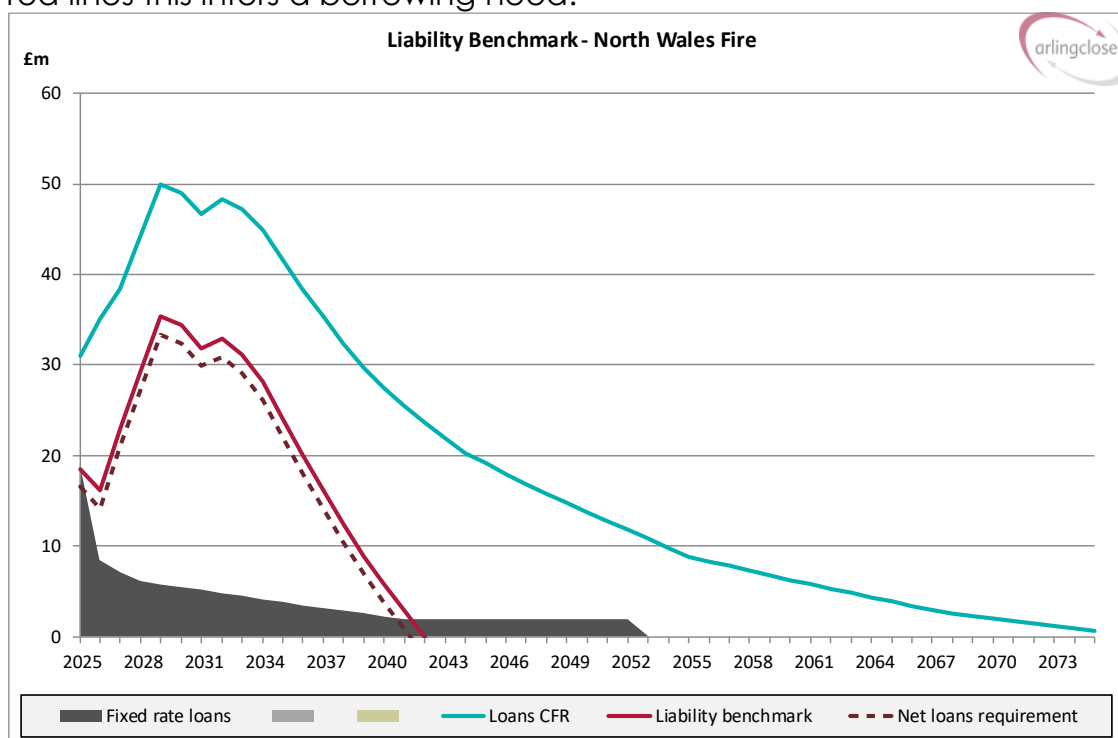
Liability Benchmark

- 33 This new indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Authority is likely to be a long-term borrower or long-term investor in the future and so shape its strategic focus and decision making.
- 34 The indicator represents an estimate of the cumulative amount of external borrowing the Authority must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £2.0m required to manage day-to-day cash flow.

	31.03.25 Actual £m	30.06.25 Actual £m	31.03.26 Forecast £m	31.03.27 Forecast £m
Loans CFR	31.01	23.56	35.10	38.40
Less: Balance sheet resources	-14.46	-14.46	-21.00	-17.50
Net loans requirement	16.55	9.10	14.10	20.90
Plus: Liquidity allowance	2.00	2.00	2.00	2.00
Liability benchmark	18.55	11.10	16.10	22.90
Existing borrowing	-19.07	-19.05	-8.50	-7.10

- 35 The above forecast does not include any costs for the proposed training centre.
- 36 Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £4m - £6m a year, minimum revenue provision on new capital expenditure based on the current asset lives, as per the accounting policy, income and expenditure increasing by inflation of 2.5% p.a. and a reduction in reserves. This is shown in the [chart below](#) together with the maturity profile of the Authority's existing borrowing.
- 37 The graph shows that the Authority is expecting to need to borrow in future years. The Authority will always have a borrowing requirement as it does not hold significant cash or reserves and only has limited access to capital grant funding.

- 38 The blue line represents the need to fund capital expenditure through borrowing (the Capital Financing Requirement or CFR). The red lines represent the need to fund capital expenditure through borrowing once reserves and working capital surplus' (or deficits) have been taken into account – this is actually the real need to borrow which CIPFA have defined as being the Liability Benchmark. The dashed red line represents the position at year end and the solid line represents the average mid-year position. The grey shaded areas show actual loans. When the grey area falls below the red lines this infers a borrowing need.



Maturity Structure of Borrowing

- 39 This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	31.03.25 Actual	Actual Limit	Upper Limit	Lower Limit	Complied Y/N
<12 months	9.3	48.82%	60.00%	0.00%	Y
12 months and <24 months	1.5	7.87%	45.00%	0.00%	Y
24 months and < 5 years	1.2	6.30%	45.00%	0.00%	Y
5 years and <10 years		0.00%	75.00%	0.00%	Y
>10 years	7.05	37.01%	100.00%	0.00%	Y


- 40 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Long-term Treasury Management Investments

- 41 The Authority does not hold any long-term treasury investments.

IMPLICATIONS

Wellbeing Objectives	This report links to the Authority's long-term well-being objectives. Ensures that the purchase of assets to support front line service delivery is prudent, affordable and sustainable. Ensures there is sufficient investment in infrastructure to enable the service to provide emergency responses and prevention work well in to the future.
Budget	Budget is set annually for capital financing in line with the Treasury report.
Legal	The regulatory framework is set out in paragraph 1.
Staffing	None.
Equalities/Human Rights/Welsh Language	None.
Risks	Investment of surplus funds – there is a risk that the financial institution in which the service's funds are invested could fail with a loss of part of the principal invested. However, one of the purposes of the report is to mitigate this risk.

Report to	Audit Committee	
Date	15 September 2025	
Lead Officer	ACFO Anthony Jones	
Contact Officer	Mike Plant – Heald of Planning, Performance and Transformation	
Subject	Certification on compliance with LGM 2009 performance assessment requirements 2025-26	

PURPOSE OF REPORT

- 1 The purpose of this report is to confirm to the Audit Committee the outcome of the external audit of North Wales Fire and Rescue Authority (the Authority) 2025/26 improvement measures, as required by the Local Government (Wales) Measure 2009 (the Measure).

EXECUTIVE SUMMARY

- 2 Under the Measure, the Authority is required to publish an annual Improvement Plan as soon as reasonably practicable after the start of the financial year. This requirement is incorporated into the Community Risk Management Implementation Plan (CRMIP) 2025-2026, which was presented to Members at the Authority meeting of 28 April 2025.
- 3 The improvement measures are subject to audit by Audit Wales who are required to report on whether the Authority has discharged its responsibilities under sections 17 and 19 of the Measure.

RECOMMENDATION

- 4 It is recommended that Members:
 - i) **Note the audit letter which confirms that the Authority has discharged its responsibilities under the Local Government (Wales) Measure 2009.**

BACKGROUND

- 5 Fire and Rescue Authorities (FRAs) in Wales are required to publish improvement objectives in accordance with the Measure, and well-being objectives in compliance with the Well-being of Future Generations (Wales) Act 2015. For the purposes of the Authority's planning processes these are treated as one and the same.

- 6 The Measure requires the Authority to:
- Make arrangements to secure continuous improvement in the exercise of its functions.
 - Make arrangements to secure achievement of its improvement objectives; and
 - Make arrangements to exercise its functions so that any performance standard specified by the Welsh Ministers is met.

INFORMATION

- 7 The CRMIP 2025-26 set out the Authority's objectives and were approved by Members at the meeting of the 28 April 2025. It is subject to audit review by Audit Wales who are required to confirm whether the Authority has discharged its responsibilities in respect of the improvement measures.
- 8 The audit letter set out in Appendix 1 confirms that Audit Wales has concluded its work and is satisfied that the Authority has discharged its responsibilities.

IMPLICATIONS

Well-being Objectives	This report confirms that the Authority has met its statutory obligations under the Local Government (Wales) Measure 2009
Budget	The improvement measures set out in the CRMP 2024-2029 and CRMIP 2025-2026 are underpinned by the financial planning process
Legal	The Audit Wales report confirms that the Authority has met its statutory obligations.
Staffing	None
Equalities/Human Rights/ Welsh Language	None
Risks	The development of the CRMP 2024 -2029 considers the risks faced by the Authority.

Reference: 5033A2025

Date issued: August 2025

Audit of North Wales Fire and Rescue Authority's 2025-26 Improvement Plan

The Wales Fire and Rescue Service Circular number: W-FRSC(2021)07 requires Fire and Rescue Authorities in Wales to continue to report against the Local Government Measure 2009 until a new National Framework and revised arrangements have been introduced. The Wales Fire and Rescue Service Circular number: W-FRSC(2025)09 allows Authorities to discharge their planning duties under the Measure and the Well-being of Future Generations (Wales) Act 2015 within the same plan. I also certified this plan in July 2024.

Certificate

I certify that, following publication in July 2024, I have audited North Wales Fire and Rescue Authority's (the Authority) Improvement Plan in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Authority has discharged its duties under section 15(6) to (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

Respective responsibilities of the Authority and the Auditor General

Under the Measure, the Authority is required to prepare and publish an Improvement Plan describing its plans to discharge its duties to:

- make arrangements to secure continuous improvement in the exercise of its functions;
- make arrangements to secure achievement of its improvement objectives; and
- make arrangements to exercise its functions so that any performance standard specified by Welsh Ministers is met.

The Measure requires the Authority to publish its Improvement Plan as soon as is reasonably practicable after the start of the financial year to which it relates, or after such other date as Welsh Ministers may specify by order.

The Authority is responsible for preparing the Improvement Plan and for the information set out within it. The Measure requires that the Authority has regard to guidance issued by Welsh Ministers in preparing and publishing its plan.

As the Authority's auditor, I am required under sections 17 and 19 of the Measure to carry out an audit of the Improvement Plan, to certify that I have done so, and to report whether I believe that the Authority has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the Improvement Plan audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit, I am not required to form a view on the completeness or accuracy of information, or whether the Improvement Plan published by the Authority can be achieved. My audit of the Authority's Improvement Plan, therefore, comprised a review of the plan to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the plan complied with the requirements of the legislation, and that the Authority had regard to statutory guidance in preparing and publishing its plan.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.



Adrian Crompton

Auditor General for Wales

CC: Cabinet Secretary for Housing and Local Government

Tim Buckle – Audit Manager

Report to	Audit Committee
Date	15 September 2025
Lead Officer	ACFO Helen MacArthur
Contact Officer	Elgan Roberts, Head of Finance
Subject	The Economic Crime and Corporate Transparency Act 2023



PURPOSE OF REPORT

- 1 To provide the Audit Committee with assurance that North Wales Fire and Rescue Service (the Service) is compliant with the new statutory offence of failure to prevent fraud under the Economic Crime and Corporate Transparency Act 2023, and to outline the controls, training, and governance mechanisms in place to mitigate fraud risk.

EXECUTIVE SUMMARY

- 2 The Economic Crime and Corporate Transparency Act 2023 (the ECCTA 2023) introduces a new corporate offence for failure to prevent fraud from the 1 September 2025.
- 3 The Service has reviewed its governance framework and implemented proportionate procedures to prevent fraud, including updated financial controls, procurement transparency, risk register enhancements, and targeted fraud awareness training. These measures provide assurance that the Service is meeting its obligations under the Act.

RECOMMENDATION

- 4 It is recommended that Members:
 - i) **Note the Service's compliance with the ECCTA 2023 fraud prevention duty; and**
 - ii) **Note the current suite of anti-fraud controls and training.**

BACKGROUND

- 5 The ECCTA 2023 introduces a new offence whereby large organisations can be held criminally liable if they fail to prevent fraud committed by employees or associates for the organisation's benefit.

- 6 Under ECCTA 2023, organisations that have more than 250 employees and over £36 million turnover or £18 million in assets are in scope. The Service meets these thresholds and is therefore subject to the new legislation.

INFORMATION

- 7 The Service maintains a minimal and cautious risk appetite in relation to legal and financial risks. This is reflected in its commitment to regular review and refinement of internal processes, and in ensuring ongoing compliance.
- 8 The Service's risk register has been updated to reflect mitigations for fraud-related risks. The gross risk score was 16 (high), but following the implementation of controls embedded within systems, workflows, and policies, the current risk score has been reduced to 9 (medium-high).
- 9 Improvements are driven by findings from peer reviews, internal audit recommendations, and external audit scrutiny. These mechanisms ensure the Service remains responsive to emerging threats and sector best practice, while maintaining proportionate and robust financial controls.
- 10 The Service has implemented a suite of proportionate procedures to meet its statutory obligations under the ECCTA 2023, specifically the offence of failure to prevent fraud. These procedures are designed to deter, detect, and respond to fraudulent activity committed by employees or associates for the organisation's benefit.
- 11 Updated Financial Regulations embed clear governance arrangements, including delegated authority limits, audit trails, and enhanced financial oversight.
- 12 The Service operates with dedicated budget holders for all capital projects and revenue expenditure. Governance is discharged through the Finance and Procurement Committee. The finance team is developing a financial dashboard to improve transparency and support budget holders in monitoring their resources.
- 13 Procurement controls have been strengthened through the Welsh Fire and Rescue Services' Procurement Strategy 2025–30, approved by the Authority's Audit Committee in June 2025. The Contract Procedure Rules were approved on 17 March 2025. These clarify the use of public sector frameworks where applicable, ensuring competitive pricing and compliance with procurement law. Where direct awards are necessary, these are supported by documented justification and oversight. Contract management protocols have been updated to ensure transparency and accountability throughout the procurement lifecycle.

- 14 Fraud awareness training has been delivered and will continue to be delivered in partnership with the Service's banking providers. This training focuses on common threats such as phishing, impersonation, and payment diversion.
- 15 In addition, the CIPFA e-learning module on fraud awareness has been rolled out to finance and procurement staff. It provides an overview of fraud; what it is, how it can be recognised, and how it can be avoided. These training programmes are embedded into staff appraisals and support a culture of vigilance and accountability.
- 16 Whilst significant progress has been made in strengthening controls and embedding fraud prevention measures, the Service remains committed to continuous improvement. Our cautious risk appetite for financial risks ensures that processes are regularly reviewed. As part of forward planning, Business Continuity arrangements for 2026 will include a dedicated exercise focused on responding to fraudulent activity.

IMPLICATIONS

Well-being Objectives	Supports ethical governance and public trust under the Well-being of Future Generations (Wales) Act.
Budget	Training and compliance costs are absorbed within existing allocations. No additional budgetary pressures identified.
Legal	The Service is in scope for the ECCTA 2023 offence and has implemented proportionate procedures to mitigate liability.
Staffing	Training integrated into staff development plans. Clear role definitions and governance structures support fraud prevention.
Equalities/Human Rights/ Welsh Language	Training materials and governance documents are bilingual and inclusive.
Risks	All high and very high risks are under active management through the strategic risk register. No new fraud-related risks have emerged since the last reporting period.

Report to	Audit Committee
Date	15 September 2025
Lead Officer	ACFO Helen MacArthur
Contact Officer	Elgan Roberts, Head of Finance
Subject	Updated Financial Regulations



PURPOSE OF REPORT

- 1 To inform the Audit Committee of the scheduled review and update of North Wales Fire and Rescue Authority (the Authority)'s Financial Regulations, originally approved in March 2022, and to outline the key changes introduced in the 2025 revision.

EXECUTIVE SUMMARY

- 2 The Financial Regulations were revised in 2022 and are due for review after three years. The revision for 2025 reflects a comprehensive update aimed at streamlining the document, modernising its provisions, and aligning with current legislative and technological standards. The revised version (v3.0) is submitted for approval.

RECOMMENDATION

- 3 It is recommended that Members:
 - i) **Endorse the updated Financial Regulations and recommend their approval to the Authority.**

BACKGROUND

- 4 The Financial Regulations provide the framework for financial governance, accountability, and stewardship across the Authority. The 2022 version (v2.0) was issued with a scheduled review date of 31 March 2025. The updated version (v3.0) has been prepared by the Head of Finance and reviewed by the Assistant Chief Fire Officer responsible for Finance and Resources.

INFORMATION

- 5 Version 3.0 has streamlined the document and ensures its continued relevance in a rapidly evolving financial and regulatory landscape. The structure has been refined to improve clarity and usability, with redundant sections removed and guidance consolidated.

- 6 Modernisation of provisions with new sections have been added to reflect contemporary financial practices, including:
- **Digital Banking and Payment Security:** Compliance with Strong Customer Authentication (SCA) and Payment Services Regulations 2017.
 - **IFRS 16 Compliance:** Enhanced guidance on asset leasing and right-of-use accounting.
 - **Fraud Prevention and Corporate Transparency:** Alignment with the Economic Crime and Corporate Transparency Act 2023, including beneficial ownership registers and enhanced due diligence.
- 7 In line with good governance practice, the Financial Regulations will be subject to a further review three years from the date of approval, or earlier if required by legislative or operational changes.

IMPLICATIONS

Well-being Objectives	Supports good governance and financial stewardship, contributing to long-term sustainability.
Budget	No direct financial implications, but improved controls may reduce exposure to fraud and inefficiency.
Legal	Ensures compliance with statutory duties under the Local Government Acts, Accounts and Audit Regulations, and recent legislation on economic crime.
Staffing	Requires awareness and compliance across all departments; training will be provided where necessary.
Equalities/Human Rights/ Welsh Language	No adverse impact identified.
Risks	The review mitigates risks associated with outdated procedures, non-compliance, and financial irregularities.



North Wales Fire & Rescue Authority

Financial Regulations

This document is uncontrolled when printed. All users are responsible for checking to confirm that this is the current version before use.

Version:	3.0	Next review:	TBC
Status:	For Approval	Issue date:	TBC

Financial Regulations

Contents

1	Introduction & Compliance	4
2	Administration of Financial Affairs	5
2.1	Responsibility.....	5
2.2	Financial Risk Management.....	6
2.3	Internal Controls and Internal Audit	6
3	Financial Planning	8
3.1	Forward Planning	8
4	Financial Management and Reporting	9
4.1	Budgetary Control.....	9
4.2	Dealing with Overspending of Revenue Budgets	10
4.3	Capital Programme	10
4.4	Budget Virements.....	11
4.5	Statement of Accounts	11
4.6	Reserves	12
4.7	Provisions	12
5	Procurement & Expenditure	13
5.1	Contracts	13
5.2	Orders for Goods, Works and Services.....	13
5.3	Authorisation of Expenditure.....	15
5.4	Payment to Suppliers	16
5.5	Corporate Credit Cards	17
5.6	Imprest Accounts	17
6	Income	18
7	Banking.....	20
8	Staffing	21
8.1	Establishment.....	21
8.2	Secondary Employment.....	21
8.3	Payroll.....	21
8.4	Travelling and Subsistence	22
9	Resources	23
9.1	Security.....	23
9.2	Insurances	23
9.3	Computing and Information Technology	24

9.4	Stocks, Stores and Inventories.....	24
9.7	Asset Leasing and IFRS 16 Compliance	26
10	Treasury Management	27
10.1	Capital Strategy	27
10.2	Treasury Management Strategy & Plan.....	27
11	Value Added Tax (VAT)	28
11.1	Records	28
11.2	Input Tax.....	28
11.3	Output Tax	28
11.4	Retention of Documents	28
12	Preventing Financial Irregularities	29
12.1	Anti-Fraud, Anti-Money Laundering and Corporate Transparency	29
12.2	Donations, Grants to Other Bodies and Contributions.....	30
12.3	Register of Members' Interests.....	30
12.4	Declarations of Interest	30
12.5	Gifts and Hospitality	30

1 Introduction & Compliance

These Financial Regulations set the framework for financial governance within North Wales Fire and Rescue Authority ("the Authority"), ensuring accountability, sound stewardship, and integrity in the use of public funds.

They apply to all Members, Co-opted Members, officers, managers, and employees. For these purposes, officers include Station Managers and above, and Heads/Deputy Heads of Department for non-operational roles.

The Audit Committee oversees the review of these Regulations. The Section 151 Officer is responsible for implementation, issuing supporting procedures, and reporting any breaches. References to "the Authority" include delegated functions to the Executive Panel, Audit Committee, or the Chief Fire Officer (Head of Paid Service), supported by the Section 151 Officer.

All personnel must familiarise themselves with these Regulations and ensure their teams comply. Additional guidance may be issued by the Section 151 Officer where required.

The Service Leadership Team must ensure compliance across all departments. Where uncertainty arises, seek advice from the Assistant Chief Fire Officer (Finance & Resources) and follow the spirit as well as the letter of these Regulations.

Failure to comply with the relevant standards and procedures may result in appropriate action being considered. For employees, this could involve steps taken under the Service's internal procedures, which may include disciplinary processes where necessary. For Members and Co-opted Members, any concerns would be addressed in line with the Authority's Code of Conduct. These measures are in place to support accountability and uphold the integrity of the organisation's governance framework.

2 Administration of Financial Affairs

2.1 Responsibility

- 2.1.1 The Section 151 Officer may issue detailed accounting procedures and guidance to support day-to-day financial management.
- 2.1.2 The Chief Fire Officer and all officers are responsible for ensuring compliance with these Financial Regulations and associated instructions/manuals. Any breaches must be reported to the Section 151 Officer.
- 2.1.3 The Section 151 Officer is appointed in accordance with legislation and advises the Authority and its committees on all matters affecting the Authority's finances and financial administration.
- 2.1.4 All accounts required by legislation to be audited must be approved by the Section 151 Officer. Subsidiary financial records are kept by, or under arrangements approved by, the Section 151 Officer.
- 2.1.5 Roles and responsibilities of the Authority, Chief Fire Officer, Section 151 Officer, Monitoring Officer, Assistant Chief Fire Officer (Finance & Resources) and Department Heads are set out in Appendix 1 – Responsibility Matrix.
- 2.1.6 The following key principles will be observed in the allocation of accounting duties:
 - Segregation of duties: Calculating/checking/recording sums due to/from the Authority must be separated, as far as practicable, from collecting or disbursing those sums.
 - Delegation & authorisation: The Chief Fire Officer, in consultation with the Section 151 Officer, will nominate officers to organise and supervise financial work and certify financial documents. The Financial Scheme of Delegation is maintained by the Head of Finance.
 - Consultation on financial impact: The Chief Fire Officer must inform the Section 151 Officer of any matter affecting the Authority's finances. No report on such matters goes to Members without prior consultation with the Section 151 Officer on the full financial implications. The Section 151 Officer (or delegate) must be given the necessary information and access to documents and reports.
 - Record retention: Financial records are normally retained for six complete financial years plus the current year, unless specific requirements (e.g., grant conditions) set different limits.

2.2 Financial Risk Management

- 2.2.1 The Authority recognises that risk can affect service delivery and the achievement of objectives.
- 2.2.2 Risk means the chance of loss, damage, or injury from an unwanted or uncertain event. Risk management is the planned, systematic approach to identifying, evaluating, and controlling risk.
- 2.2.3 The Executive Panel considers an annual report on the Risk Register, reviews significant changes in risk, and monitors the effectiveness of controls for key risks.
- 2.2.4 The Section 151 Officer ensures arrangements are in place to identify, assess, record, report and monitor financial risks, and that these are reflected in the Corporate Risk Register with the associated controls/mitigations.
- 2.2.5 The budget process takes account of financial risks and reports them as part of the Medium-Term Financial Strategy (MTFS).

2.3 Internal Controls and Internal Audit

- 2.3.1 The Authority must maintain proper arrangements for administering its financial affairs and ensure an adequate system of internal control.
- 2.3.2 Internal control comprises management systems designed to achieve objectives economically, efficiently and effectively, and to safeguard assets and interests.
- 2.3.3 The Authority's Internal Auditors provide an annual opinion on the existence and adequacy of internal controls and operate in line with current professional auditing standards.
- 2.3.4 Internal Audit responsibilities include reviewing, appraising and reporting on:
 - the soundness, adequacy and application of financial and management controls.
 - compliance with relevant policies, plans and procedures.
 - the extent to which assets and interests are accounted for and safeguarded against fraud, waste, extravagance, inefficient administration or other loss.
 - the suitability and reliability of financial and management information.

- 2.3.5 Internal Audit rights of access (and, where stated, the Section 151 Officer or delegate) include the right to:
- enter any operational or administrative premises of the Authority on production of identification.
 - examine, copy or retain any records relating to the accounts and financial administration (including independent access to relevant systems and outputs).
 - require information and explanations from any employee.
 - require any employee to produce or account for cash, stores or other property of the Authority entrusted to their custody.
 - examine work or services performed for the Authority by employees or contractors and any goods purchased or issued from stock.
- 2.3.6 Any actual or suspected irregularity involving cash, stores, property, or financial administration must be reported immediately to the Section 151 Officer, who will investigate and report as appropriate in consultation with the Chief Fire Officer and the Monitoring Officer.
- 2.3.7 The Audit Committee appoints Internal Auditors, approves the Internal Audit work programme, and considers Internal Audit reports and the annual report.

2.4 External Audit

- 2.4.1 External auditors are appointed by Audit Wales under the Public Audit (Wales) Act 2004. Their duties are guided by the Auditor General for Wales through the Code of Audit Practice, which outlines principles and requirements for:
- Audit of financial statements; and
 - Evaluation of arrangements for securing economy and efficiency.
- 2.4.2 The Authority may also be subject to audit, inspection, or investigation by statutory bodies such as HM Revenue & Customs and the Welsh Government.

3 Financial Planning

3.1 Forward Planning

- 3.1.1 Each year, the Section 151 Officer will present to the Authority on the current financial position and factors likely to affect future financial arrangements. This includes risks, uncertainties, and decisions on service provision or priorities.
- 3.1.2 The appraisal will cover both revenue and capital planning assumptions and inform the Medium-Term Financial Strategy (MTFS).
- 3.1.3 Additional appraisals may be provided during the year if deemed necessary by the Section 151 Officer.

3.2 Revenue and Capital Budget

- 3.2.1 Before the start of each financial year, and in line with statutory timescales, the Section 151 Officer (in consultation with the Chief Fire Officer and relevant officers) will submit:
 - The proposed revenue budget for the forthcoming year.
 - the capital programme for the forthcoming year.
 - the MTFS covering the next two years.
- 3.2.2 Submission must include:
 - expected income and expenditure.
 - material risks and uncertainties.
 - financial implications of any proposed service changes.
 - anticipated capital financing costs and funding requirements.
- 3.2.3 The Authority will review and approve these plans; approval cannot be delegated to officers.
- 3.2.4 No financial commitment may be entered into until approved by the Authority and resources are confirmed.
- 3.2.5 The Section 151 Officer will report performance against the approved budgets at the end of Q2, Q3 and Q4 at Authority meeting.

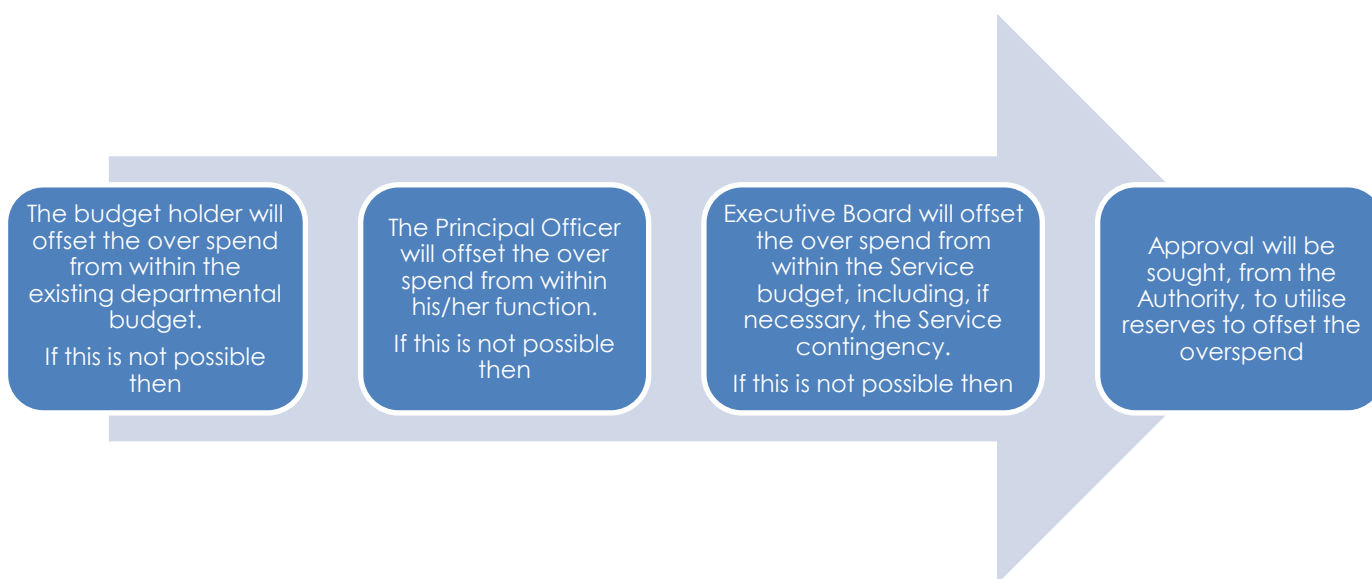
4 Financial Management and Reporting

4.1 Budgetary Control

- 4.1.1 The Section 151 Officer has primary responsibility for budgetary control arrangements. The Chief Fire Officer will maintain a scheme of delegation for day-to-day budget management, monitoring and reporting.
- 4.1.2 The Section 151 Officer and Chief Fire Officer will monitor the approved budget, investigate variances and report to the Authority at each meeting, including a summary by key expenditure headings and commentary on significant items.
- 4.1.3 The Assistant Chief Fire Officer (Finance & Resources) and Head of Finance oversee day-to-day monitoring and reporting and ensure a balanced budget.
- 4.1.4 Budget holders must control income and expenditure in their areas, provide complete and accurate information for reporting, and take action to avoid overspending.
- 4.1.5 All officers committing expenditure or raising/collecting income must comply with Financial Regulations, procedures, and Contract Procedure Rules.
- 4.1.6 Progress on the capital programme will be reported to the Authority at intervals agreed with the Section 151 Officer.

4.2 Dealing with Overspending of Revenue Budgets

- 4.2.1 Budget holders must scrutinise budgets regularly and avoid overspends. Where an overspend is identified, establish the cause, assess impact and manage appropriately. **Recurring** pressures must be reported through the **budget-setting cycle**.
- 4.2.2 Where a **revenue overspend** is projected, apply the following staged approach (in line with **virement rules** at 4.4):



4.3 Capital Programme

- 4.3.1 To qualify as capital, expenditure must satisfy the following criteria:
- Be more than £10,000.
 - Create an asset which has benefits which last for more than one year.
 - Comply with guidance in the appropriate CIPFA Code.
- 4.3.2 If a scheme overspend is estimated at $\geq 10\%$ or £50k (whichever is lower), approval to fund the overspend must be sought from the Assistant Chief Fire Officer (Finance & Resources).
- 4.3.3 If the overspend is $< 10\%$ and $< £50k$, the ACFO (F&R) and Head of Finance will consider it in the context of the overall programme and, if unavoidable, may vire from other schemes or fund from revenue or balances.
- 4.3.4 Disposal proceeds $> £10,000$ are treated as capital receipts; other income is revenue. (See section 8.7 for disposal procedures.)
- 4.3.5 Where a tender for part/all of a capital scheme is **more than 10% or £50k (lower) below** the tender estimate, the **budget will be reduced** to the actual tender value.

4.4 Budget Virements

- 4.4.1 Virement is the transfer of budget between headings to reflect changed activity, address in-year deficits/surpluses, or improve delivery.
- 4.4.2 The scheme of virement is intended to provide the Chief Fire Officer with flexibility to achieve the Authority's objectives within the overall budget approved by the Authority.
- 4.4.3 Virements must follow the Service's Scheme of Financial Delegation and are reported to the Authority through budget monitoring.
- 4.4.4 All virement proposals should be subject to control and should not:
 - use capital budget for revenue purposes.
 - increase the Authority's net commitments in current or future years.
 - effect grant/external-funded projects without the Section 151 Officer's consent.
- 4.4.5 A virement involving the use of revenue funds for capital purposes will require the consent of the Authority.

4.5 Statement of Accounts

- 4.5.1 The Section 151 Officer will ensure timely, accurate production of the Statement of Accounts, prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting (UK) and IFRS.
- 4.5.2 The Section 151 Officer will sign and date the Accounts, confirming they fairly present the Authority's financial position and performance for the year ended 31 March.
- 4.5.3 The Section 151 Officer will make proper arrangements for external audit, including all necessary representations. A report will be presented to the Authority on financial position/performance and the outcome of the external audit, including the auditor's certificate and any reports referred to therein.
- 4.5.4 The Authority is responsible for receiving and approving the Accounts although this function may be delegated to the Executive Panel where appropriate.
- 4.5.5 Audited Accounts will be published on the Authority's website.

4.6 Reserves

- 4.6.1 The Financial Reserves Strategy is presented to the Audit Committee and approved by the Authority.
- 4.6.2 The Section 151 Officer is responsible for ensuring that reserves are maintained in accordance with the Code of Practice and the Strategy.
- 4.6.3 The creation, deletion, assessment of adequacy and transfers in/out of reserves is delegated to the Section 151 Officer of the Authority.
- 4.6.4 The adequacy of reserves is assessed by the Section 151 Officer at least annually, as part of the account's closedown process and/or budget setting process.
- 4.6.5 Accurate records should be maintained, detailing the purpose, usage and the basis of transactions.

4.7 Provisions

- 4.7.1 Provisions relate to probable liabilities as at the balance sheet date but for which there is uncertainty relating to the timing or amount. Provisions set aside an amount to cover an estimate of the probable future expense.
- 4.7.2 The Assistant Chief Fire Officer (Finance & Resources) and Head of Finance are responsible for the assessment and calculation of provisions included in the financial position.

5 Procurement & Expenditure

5.1 Contracts

- 5.1.1 Every contract for goods, works or services must comply with the Authority's Contract Procedure Rules (CPRs) and any prescribed standard form of contract. These Financial Regulations do not amend the CPRs; where process detail is required (routes to market, thresholds, evaluation, waivers, variations, extensions), the CPRs prevail.
- 5.1.2 The Section 151 Officer will make proper arrangements for the maintenance of a contracts register and the contract documents shall be made available for inspection. A complete contracts register will be maintained and made available for inspection; the Head of Finance maintains the register and must receive signed copies of all contracts.
- 5.1.3 Variations must be authorised in line with the Scheme of Financial Delegation, and payment certificates/final accounts processed under arrangements approved by the Section 151 Officer (including where third parties supervise the contract).

5.2 Orders for Goods, Works and Services

- 5.2.1 The Section 151 Officer is responsible for ensuring that arrangements are in place regarding the acquisition of goods and services. No goods and services should be acquired without an official purchase order approved in line with the Scheme of Financial Delegation.
- 5.2.2 Official Orders are to be issued for all goods, work and services, **prior** to receipt of the goods, work or services required except for:
 - (i) allowances to Members.
 - (ii) employee reimbursements (paid via payroll).
 - (iii) purchases from imprest accounts and corporate credit cards.
 - (iv) Utilities bills and NNDR charges.
 - (v) emergency building works recorded on the Facilities Helpdesk system – e.g. call out for a boiler breakdown. A job number will be provided instead of a purchase order.
- 5.2.3 Any other exceptions shall be by specific agreement between the Chief Fire Officer and the Section 151 Officer.

- 5.2.4 In urgent cases a verbal order may be given by an authorised approver but must be confirmed by a written order at the earliest opportunity.
- 5.2.5 Purchase orders must be in a form approved by the Section 151 Officer and must:
- (i) specify the nature and/or quantity of goods, work or services required and any contract or agreed prices.
 - (ii) include relevant quotes/estimates uploaded to the purchasing system or detail the contract or framework reference.
 - (iii) direct that invoices should be rendered to the Authority, after delivery of the goods or completion of the work or service, or as otherwise specified.
- 5.2.6 A record of the employees authorised to approve orders shall be maintained by the Head of Finance.
- 5.2.7 When an employee leaves a position, where they are an approver, the budget holder must inform the finance department, so that access can be removed to prevent the employee from approving orders for the department's budget.
- 5.2.8 Approvers must ensure need, compliance (statute, CPRs, Financial Regulations), and budget provision before committing the Authority to expenditure. In addition, any alteration to an order requires approval by an authorised officer as per the scheme of delegation.
- 5.2.9 The certification of the Chief Fire Officer, or his/her authorised employee, shall be deemed to cover the following matters:
- (i) that the prices are in accordance with the contract or quotation or if there is no contract or quotation, that the prices are otherwise reasonable.
 - (ii) that the expenditure has been properly coded within the Authority's financial ledger.
 - (iii) that the expenditure is within the estimates or is covered by special financial provision and is in accordance with these Financial Regulations.
 - (iv) that where an order includes Value Added Tax, this is in accordance with HMRC regulations:
 - (a) confirmation of whether it is a taxable supply.
 - (b) for construction industry payments, an authenticated receipt will be obtained; or
 - (c) for payments made in advance of services/goods being received, a tax receipt/invoice will be obtained.

5.2.10 The Chief Fire Officer shall supply to the Section 151 Officer, in a form and at agreed intervals, details of outstanding financial commitments for incorporation into reports on the Authority's financial position.

5.3 Authorisation of Expenditure

5.3.1 Approval of the revenue and capital budgets confers authority on the Chief Fire Officer to incur expenditure necessary to achieve the Authority's objectives within those budgets; spend must not exceed approved totals without prior Authority approval. All expenditure must be lawful and compliant with the CPRs and these Regulations, with day-to-day responsibilities delegated by the Section 151 Officer while retaining oversight.

5.3.2 Approval workflows will follow systems approved by the ACFO (Finance & Resources) and Head of Finance, and delegation limits are set out in the Scheme of Financial Delegation.

5.3.3 The day-to-day delegation is set out in the Service's Scheme of Financial Delegation.

5.3.4 Where the cost of an item is estimated to exceed the budget provision the Section 151 Officer, or nominated officer should be informed in the following circumstances:

- for schemes costing up to £100,000 – variances over £10,000.
- for schemes costing over £100,000 – variances over £25,000.

5.3.5 Remuneration, pensions, gratuities or other emoluments to employees or former employees of the Authority should be in accordance with binding national or local agreements or permissible by a resolution passed by the Authority on staffing matters. No ex-gratia payments will be made without the approval of the Chief Fire Officer in consultation with the Section 151 Officer or Monitoring Officer.

5.3.6 In circumstances where the Chief Fire Officer proposes a new policy which is required to be approved by the Authority or an alteration to an existing policy which has already been approved by the Authority, no expenditure shall be incurred thereon until a written financial appraisal has been approved by the Authority.

5.3.7 Where the approval of an outside body is required to authorise expenditure or the means of financing expenditure, no such expenditure shall be incurred or income collected until approval, in writing, has been received from the relevant body.

- 5.3.8 All rents, fees and charges receivable by the Authority other than recharges and those fixed by statute or by a binding legal agreement, shall be determined by the Authority or in accordance with arrangements approved by the Authority.

5.4 Payment to Suppliers

- 5.4.1 The Assistant Chief Fire Officer (Finance & Resources) and Head of Finance are responsible for overseeing the payment of creditors.
- 5.4.2 All payments for goods and services, except for imprest payments, shall be made using the designated financial system and payment will be via electronic transfer to supplier's bank account.
- 5.4.3 The payment of any invoice will not be made unless invoices quote an official order number and goods/services have been receipted on the financial system and where applicable the delivery/advice note uploaded.
- 5.4.4 For exceptionally urgent circumstances, the Authority has the facility to make an urgent payment, which does incur additional bank charges. Normal arrangements will apply whenever possible. Urgent payments must be approved by the Head of Finance and actioned by the Finance Department.
- 5.4.5 Any special authority needed must be obtained prior to any goods or services being ordered and the invoice marked off against Minutes or other authorisation.
- 5.4.6 Where a payment is made to a sub-contractor in the construction industry who does not possess an appropriate exemption certificate, such payment will be treated as entirely labour and tax deducted at the current rate, unless the sub- contractor clearly identifies the materials element, and such element is considered reasonable. To assist in the Authority's compliance with the Finance Act the Authority should whenever possibly identify the invoice as being payable to a sub-contractor.
- 5.4.7 Where an amendment to an invoice is permitted under the Value Added Tax regulations a clear audit trail should be maintained to confirm the reasons where it is not self-evident.
- 5.4.8 At the end of each financial year, as required by the Section 151 Officer, the Chief Fire Officer shall list all accounts for inclusion as creditors in the final accounts for that year.

- 5.4.9 All electronic payments must comply with the Payment Services Regulations 2017 (as amended) and the UK's Strong Customer Authentication (SCA) requirements. The Finance Department shall ensure that payment systems are configured to meet multi-factor authentication standards and that staff are trained in secure payment practices.

5.5 Corporate Credit Cards

- 5.5.1 The Section 151 Officer is responsible for ensuring that arrangements are in place in relation to the use of corporate credit cards.
- 5.5.2 Corporate credit cards are issued to enable officers to make emergency payments or for goods that require immediate payment – for example road fund licences or catering at incidents. The cards should not be used to bypass the Contract Procedure Rules or the requirements of these Financial Regulations.
- 5.5.3 The Head of Finance maintains the cardholder register and manages day-to-day administration; cardholders must follow the Purchase Card Procedure covering use, receipts, coding and reconciliations.

5.6 Imprest Accounts

- 5.6.1 The Section 151 Officer is responsible for arrangements governing imprest (petty cash) accounts, which may be authorised for minor official expenditure only. Salaries, wages, allowances or mileage must not be paid from imprest funds.
- 5.6.2 Imprest accounts require Head of Finance approval and a nominated holder. Claims for reimbursement must follow approved guidelines and forms, with vouchers provided for all payments (VAT invoices where applicable). Holders must:
- keep cash secure.
 - observe transaction limits set by the Section 151 Officer.
 - reconcile and balance monthly.
 - produce cash and vouchers on request.
- 5.6.3 No receipts other than authorised reimbursements may be credited, and personal cheques or borrowing are prohibited. The Head of Finance may require the return of the imprest and supporting documentation at any time.

6 Income

6.1 Collection of Income

- 6.1.1 The Section 151 Officer is responsible for arrangements governing income collection, including the approval of all official receipt forms, books and related documents. Day-to-day responsibilities may be delegated to nominated officers, but overall control remains with the Section 151 Officer.
- 6.1.2 Where the approval of an outside body is required to authorise income, no such income shall be collected until approval, in writing, has been received from the relevant body.
- 6.1.3 All income must be:
- properly safeguarded and banked intact at intervals approved by the Section 151 Officer.
 - collected in accordance with approved rents, fees and charges or statutory requirements.
 - supported by authorised receipts and accurate records of transfers between employees.
 - Made at the Authority's bankers or nominated agents unless otherwise approved by the Section 151 Officer.
- 6.1.4 The Chief Fire Officer shall consult the Section 151 Officer prior to any decision to introduce, revise or discontinue scales of charges or tariffs, whether as part of the annual budget process or otherwise. Significant policy changes, other than those arising from statute should be approved by the Authority.
- 6.1.5 Every employee paying money into a bank must comply with the requirement to enter on a paying-in slip and on the counterfoil or duplicate thereof, details of the payment including for each cheque:
- (i) the amount of the cheque; and
 - (ii) some references (such as receipt number or debtor name) which will connect the cheques with the debts discharged by payment.
- 6.1.6 Third-party cheques should only be accepted where the cheque is from an approved source, i.e. utility undertaking and where it is used in full or part settlement of an Authority debt. In no circumstances should they be cashed or be accepted and change given. Under no circumstances should personal cheques be cashed or money borrowed from income collected.
- 6.1.7 Invoices for income must be raised promptly in an approved format, and any cancellation or reduction must be authorised by the Chief Fire Officer (or designated officer) in agreement with the Section 151 Officer.

6.2 Write offs.

- 6.2.1 No debt once correctly established and due to the Authority shall be discharged other than by payment in full, except by a resolution of the Authority or at the discretion of the Section 151 Officer for sums up to £5,000, for any one debtor in respect of one financial year.
- 6.2.2 The Assistant Chief Fire Officer (Finance and Resources) can write off without limit any sums which are deemed uncollectable by virtue of any type of insolvency, bankruptcy, dissolved companies or liquidation of a debtor, the debt being statute barred or the absence of further remedies being available such as following a committal hearing, a deceased debtor with no estate or where the debtor cannot be traced.
- 6.2.3 Any debts written off that do not meet the above criteria should be approved by the Authority.
- 6.2.4 At the end of each financial year, the Chief Fire Officer will be required to supply the Section 151 Officer with lists of outstanding debts to be brought into account in the Final Accounts of the year.
- 6.2.5 The Section 151 Officer is responsible for ensuring that an adequate provision for bad debt is made in the Authority's accounts at year end.

7 Banking

7.1 Banking Arrangements

- 7.1.1 The Authority will approve the terms under which banking services, including overdraft Facilities are provided. All arrangements with the Authority's bankers, or with any other bank or building society, for the operation of bank accounts in the name of the Authority are to be made through the Section 151 Officer, who may prescribe rules concerning the number, amount and type of transactions which are to be passed through any such account.
- 7.1.2 All bank accounts will include "North Wales Fire and Rescue Authority" in the title.
- 7.1.3 No arrangement of any kind with any banking service will be made without the approval of the Assistant Chief Fire Officer (Finance & Resources).
- 7.1.4 All payments or transfers from any Authority bank account will be approved by an appropriate officer in accordance with the Financial Scheme of Delegation.
- 7.1.5 The Section 151 Officer shall arrange such safeguards as he/she considers necessary and practicable to ensure that cash receivable by the Authority is banked to the credit of the Authority and that payments drawn on the Authority's bank accounts are properly vouched and recorded. Under no circumstances should receipts belonging to the Authority be banked to the credit of a personal bank account of an employee or agent of the Authority.
- 7.1.6 Bank accounts shall be deemed to include payment orders, standing orders and direct debits.
- 7.1.7 Personal cheques of Members or employees of the Authority are not to be cashed.
- 7.1.8 The Section 151 Officer shall ensure that digital banking platforms used by the Authority are subject to regular review, including access controls, audit trails, and compliance with the Financial Services and Markets Act 2023. Any new banking arrangements must include provisions for fraud detection, transaction monitoring, and secure data handling.

8 Staffing

8.1 Establishment

- 8.1.1 The Chief Fire Officer is responsible for providing overall management of employees within the budget approved by the Authority.
- 8.1.2 The appointment of Principal Officers is a matter reserved for the Authority.
- 8.1.3 The Chief Fire Officer shall make suitable arrangements for the following key controls:
 - Ensuring that there is proper use of an agreed job evaluation system or national profiles to ensure a fair and consistent appropriate to determining the grade and remuneration of all posts.
 - Evaluating the employee numbers which can be funded within approved budget provision, varying the provision as necessary within that constraint to meet changing operational needs.
 - Implementing a Service Scheme of Delegation to ensure that changes to the agreed staffing numbers, the hours worked, or the associated roles are subject to proper consideration and approval.
 - Implementing appointment procedures for the recruitment and selection of employees.

8.2 Secondary Employment

- 8.2.1 The Chief Fire Officer shall make arrangements for the proper approval of outside employment for those staff whose primary role is with North Wales Fire and Rescue Service.
- 8.2.2 The Chief Fire Officer reserves the right to, at any time, withdraw the permission for outside employment and/or vary the conditions attached.

8.3 Payroll

- 8.3.1 The Section 151 Officer is responsible for accurate and controlled payment of salaries and related emoluments. All payments, including for casual staff, must be made via the payroll system to ensure correct tax and NI treatment.
- 8.3.2 Managers must provide timely and accurate information on appointments, changes and absences, and certify timesheets and claims in line with deadlines. All payments must comply with contracts, Authority policies and approved pay structures.

- 8.3.3 All payments to staff will be in accordance with their contract of employment, the policies of the Authority and the authorised establishments, grades and rates of pay.
- 8.3.4 The Assistant Chief Fire Officer (Finance and Resources) will implement national pay agreements as soon as possible after their notification from the appropriate body. Arrangements for funding such awards will be determined each year as part of the budget setting process.
- 8.3.5 Engagement of workers via employment agencies will be subject to confirmation that the engagement's tax status has been verified using HMRC guidelines to ensure that tax and NI are deducted as appropriate.
- 8.3.6 All proposed off payroll arrangements with employment agencies, individuals or personal service companies will be subject to completion of HMRC due diligence checks. Where an off-payroll contract is proposed approval should be sought from the Assistant Chief Fire Officer (Finance and Resources).
- 8.3.7 The Section 151 Officer ensures statutory deductions are paid on time and maintains payroll records for the required retention periods (six years for tax/NI; ten years for pension data).

8.4 Travelling and Subsistence

- 8.4.1 **Members:** Payments due to Members of the Authority will be made in accordance with the rates laid down by the Authority, upon receipt of the prescribed form duly completed by the Member concerned.
- 8.4.2 **Employees:** All claims for travel, subsistence and related expenses must:
- be submitted on the approved form and certified by the relevant line manager.
 - confirm that journeys were authorised, expenses properly incurred, and mileage accurate.
 - be processed through payroll wherever possible to ensure correct tax and NI treatment.
- 8.4.3 Certification signifies that the Chief Fire Officer is satisfied the claim is valid and payable. Full requirements, including rates, documentation and time limits, are set out in the Travel and Subsistence Policy and Procedure, which must be followed in all cases.

9 Resources

9.1 Security

- 9.1.1 The Chief Fire Officer is responsible for maintaining security over buildings, stock, equipment, cash and other property, and must consult the Section 151 Officer where security is defective, special measures are needed, or proposed changes may affect security.
- 9.1.2 Maximum limits for cash holdings shall be agreed with the Section 151 Officer and shall not be exceeded without express permission. Any monies held shall be properly safeguarded (normally kept in a safe or locked receptacle).
- 9.1.3 Keys/passes to safes and secure stores must be kept safely; losses must be reported immediately to the Chief Fire Officer and Section 151 Officer.
- 9.1.4 The Chief Fire Officer shall be responsible for ensuring that adequate procedures are in force to ensure that as an employee leaves the Authority's employment all Authority property including keys, passes, floats, identity cards etc, are retained by or returned to the Authority.
- 9.1.5 On leaving the Authority's employment or otherwise ceasing to be an authorised key or pass holder an employee shall hand such keys or passes to the Chief Fire Officer or designated managers.
- 9.1.6 The Chief Fire Officer shall be responsible for the security and confidentiality of all financial and related information under his/her control and ensure compliance with data protection legislation.

9.2 Insurances

- 9.2.1 The Chief Fire Officer, with the Section 151 Officer and ACFO (Finance & Resources), will review assets and risks to determine required insurance. Indemnities requested of the Authority must be agreed with the Section 151 Officer and the Clerk to the Fire Authority. Changes in use of assets or services that affect cover must be notified promptly.

- 9.2.2 The ACFO (F&R) arranges insurance (other than contractor-held cover), agrees policy excesses, and ensures procedures for authorising claim settlement/repudiation; the Section 151 Officer maintains the policy register and ensures premiums are paid and claims/losses are managed. Reasonable provisions will be made for unidentified risks or known liabilities. The ACFO (F&R) must be informed of claims, potential claims and new/emerging risks, and officers must supply requested documents within stated timescales.

9.3 Computing and Information Technology

- 9.3.1 The Section 151 Officer shall be responsible for advising on the arrangements for processing financial data. Any proposals to develop or modify financial systems or to use financial information on local systems must be in accordance with the appropriate requirement for Financial Services.
- 9.3.2 The Chief Fire Officer and managers must ensure appropriate IT security and privacy controls; financial data should only be released to authorised employees and those specifically approved by the Section 151 Officer.

9.4 Stocks, Stores and Inventories

- 9.4.1 The Chief Fire Officer is responsible for the care, custody and appropriate levels of stock, equipment and other moveable assets.
- 9.4.2 Accurate records must be maintained in a format approved by the Section 151 Officer, showing receipts, issues and balances. All stock and inventory items must be verified at least annually, with a certified valuation provided to the Head of Finance.
- 9.4.3 Adjustments for surpluses, deficiencies or disposals (including obsolete or damaged items) must follow the Scheme of Financial Delegation, with disposal methods agreed by the Section 151 Officer. Write-offs must be reported to the Head of Finance and related records updated.
- 9.4.4 Attractive or portable items (e.g., IT equipment) must be clearly marked as Authority property and recorded with key details such as purchase date, cost, location and description.
- 9.4.5 The Section 151 Officer (or delegate) may inspect any site, stock or inventory records at any time.

- 9.4.6 The method of disposal shall be agreed by the Section 151 Officer.
- 9.4.7 If stock, during the financial year, has a value in excess of £1,000, approval by a Principal Officer is required for disposal or write-off.

9.5 Private Use of Facilities

- 9.5.1 The Authority's assets shall not, without the specific authorisation of the Chief Fire Officer, be used for any purpose other than in the discharge of the Authority's functions, including wider community benefits. Where any such other use results in additional cost being incurred or income forfeited by the Authority, the Section 151 Officer should be consulted and the user shall be required to pay to the Authority the full amount of such additional costs or lost income unless after considering a report from the Chief Fire Officer, the Authority decides otherwise.
- 9.5.2 Except in the performance of his/her official duties or in accordance with local Conditions of Service no employee shall have use of the Authority's services or facilities other than on the same terms as a member of the public.

9.6 Asset Acquisitions and Disposals

- 9.6.1 The Chief Fire Officer shall promptly notify the Clerk to the Authority of any acquisition or disposal of land, or interest in land. Negotiations on the Authority's behalf shall be the responsibility of the Clerk to the Authority and the Clerk shall be responsible for making arrangements for the safe registration of land or property owned by the Authority.
- 9.6.2 The Assistant Chief Fire Officer (Finance and Resources) should be informed of any acquisitions, to ensure these items are properly accounted for.
- 9.6.3 The Section 151 Officer and Chief Fire Officer shall approve arrangements for the disposal of property (other than land), obsolete vehicles, plant and equipment, stores, old materials and scrap.
- 9.6.4 Sales of land and/or buildings and the surrender of a lease with a term of five years or more will require Authority approval.
- 9.6.5 The Assistant Chief Fire Officer (Finance and Resources) should be informed of all disposals, to ensure the assets are removed from the Asset Register and accounted for correctly in the Statement of Accounts.

- 9.6.6 Where applicable, details of the disposal proceeds and associated paperwork should be provided to the Assistant Chief Fire Officer (Finance and Resources), to ensure that income received from the disposal of the asset is properly accounted for.

9.7 Asset Leasing and IFRS 16 Compliance

- 9.7.1 Leasing is a method of obtaining the use of an asset which does not involve the formal legal transfer of ownership to the Authority. Leases constitute a long-term legal obligation and must be treated with appropriate financial scrutiny and governance.
- 9.7.2 The Section 151 Officer is responsible for ensuring that a financial assessment of affordability is completed and the expenditure over the lifetime of the lease is within the approved budget and in accordance with the prudential borrowing limits set by the Authority.
- 9.7.3 Proposals to enter into or surrender a lease with a term of 5 years or more will require Authority approval. All leases should be subject to proper approval in accordance with the Scheme of Financial Delegation.
- 9.7.4 A register of all lease arrangements, including lease term, payment schedules, and valuation of right-of-use assets, is maintained by the Head of Finance.
- 9.7.5 In accordance with IFRS 16, all leases (excluding low-value and short-term leases) must be recognised on the balance sheet as a right-of-use asset and a corresponding lease liability. The Section 151 Officer is responsible for ensuring that lease arrangements are assessed for IFRS 16 applicability and that appropriate accounting treatment is applied.
- 9.7.6 Leases must be properly accounted for within the Statement of Accounts and in accordance with the relevant guidance, including the Authority's Capital Strategy and Prudential Indicators.
- 9.7.7 Budget holders must notify the Finance Department of any proposed lease arrangements to ensure compliance with these requirements.

10 Treasury Management

10.1 Capital Strategy

10.1.1 The Authority adopts the CIPFA Code of Practice for Treasury Management in the Public Services and the Prudential Code for Capital Finance in Local Authorities. The Section 151 Officer, in consultation with the Chief Fire Officer, prepares an annual Capital Strategy for Authority approval.

10.1.2 The Strategy provides a high-level overview of how capital expenditure, financing and treasury activity support service delivery, and how risk and sustainability are managed within the Authority's governance framework.

10.2 Treasury Management Strategy & Plan

10.2.1 The Section 151 Officer is responsible for the Treasury Management Strategy and Plan, which sets out the Authority's approach to borrowing, investment of surplus funds and associated risk management.

10.2.2 The Strategy must be approved by the Authority annually before the start of the financial year. The Section 151 Officer monitors compliance throughout the year and reports outcomes to the Authority at year-end.

10.3 Borrowings and Investments

10.3.1 Approval of the Capital Programme and Treasury Strategy by the Authority constitutes authority to borrow for approved projects. The Section 151 Officer is responsible for:

- arranging borrowing and investing surplus funds in line with the Treasury Management Strategy.
- monitoring affordability and sustainability against prudential indicators and reporting any potential breaches.
- maintaining full and accurate records of all borrowing and investments and ensuring safe custody of securities and related documents.

11 Value Added Tax (VAT)

11.1 Records

11.1.1 The Section 151 Officer is responsible for the maintenance of proper VAT records and ensuring that arrangements are in place for returns to Her Majesty's Revenue and Customs (HMRC) in accordance with prescribed regulations.

11.1.2 It is the responsibility of the Section 151 Officer to ensure arrangements are in place to correctly account for VAT.

11.2 Input Tax

11.2.1 Where creditors' invoices include VAT, in accordance with HMRC, the following conditions are satisfied:

- (a) the invoice is a tax invoice.
- (b) for construction industry payments, an authenticated receipt will be obtained.
- (c) for payment made in advance of services/goods being received, a tax receipt will be obtained to enable the necessary adjustments to be made.
- (d) the VAT included on a creditor's invoice is identified and coded correctly; and
- (e) that VAT invoices are processed expeditiously and are not unduly delayed.

11.3 Output Tax

11.3.1 Where services provided are subject to VAT in accordance with HMRC regulations, then proper VAT invoices are raised having due regard to the relevant tax points.

11.3.2 All tax invoices raised are processed expeditiously.

11.3.3 Cash income received, where such income includes VAT, is correctly analysed and processed in the normal way.

11.4 Retention of Documents

11.4.1 All documents identifying VAT transactions, including proof of payment and banking records, must be retained for six years to satisfy the requirements of HMRC.

12 Preventing Financial Irregularities

12.1 Anti-Fraud, Anti-Money Laundering and Corporate Transparency

- 12.1.1 The Authority expects the highest standards of conduct. Its approach is set out in the Anti-Fraud and Corruption Strategy and the Whistleblowing Policy, which provide confidential routes to report suspected wrongdoing.
- 12.1.2 The Authority's expectation of propriety and accountability is that Members and Officers, at all levels, will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 12.1.3 The Section 151 Officer is responsible for implementing the Strategy, ensuring proportionate controls, staff awareness and training. Any suspected fraud, bribery or irregularity must be reported immediately to the line manager; where the line manager is below Head of Department, inform the Head of Department, Chief Fire Officer, and Section 151 Officer without delay.
- 12.1.4 In line with the Economic Crime and Corporate Transparency Act 2023, the Authority is committed to strengthening its controls against fraud, money laundering, and the misuse of corporate structures. The Section 151 Officer shall ensure that:
- All financial transactions are subject to enhanced due diligence where required.
 - Supplier and contractor records are verified against Companies House and other relevant registers.
 - Suspicious activity is reported in accordance with the Authority's Anti-Fraud and Corruption Strategy and the National Crime Agency's SAR regime.
 - All officers involved in procurement, finance, or contract management receive training on identifying red flags related to economic crime.
 - The Authority maintains a register of beneficial ownership disclosures where applicable and ensures compliance with new reporting obligations under the Act.

12.2 Donations, Grants to Other Bodies and Contributions

- 12.2.1 Donations, grants and contributions must be approved by the Chief Fire Officer in consultation with the Monitoring Officer or Section 151 Officer. Any amount over £20,000 requires Authority approval.

12.3 Register of Members' Interests

- 12.3.1 The Monitoring Officer ensures procedures for registering Members' interests comply with statute. Declarations are published on the Authority's website.

12.4 Declarations of Interest

- 12.4.1 The Section 151 Officer ensures appropriate arrangements for declarations of interest by senior officers and any employee with a fiduciary interest in an Authority contract. Employees must not act in an official capacity where they, or a close relative, have a personal interest. Forms are maintained by the Head of Finance.

12.5 Gifts and Hospitality

- 12.5.1 Receiving gifts, rewards or hospitality in connection with official duties can be perceived as an inducement. Members and officers must exercise caution and follow guidance in Part 5 of the Constitution.
- 12.5.2 The offer or acceptance of trivial gifts up to a maximum of £25.00 do not need to be declared although Members and staff may wish to do so at their own discretion. All other offers, including those declined must be recorded in the register.
- 12.5.3 A register of Gifts and Hospitality is maintained by the Finance Department. All declarations must be submitted within 28 days; further advice can be sought from the finance team.
- 12.5.4 All staff should conduct themselves with integrity, impartiality and honesty at all times and should maintain high standards of propriety and professionalism.

12.6 Promotional Offers

12.6.1 Promotional offers from suppliers (e.g., gifts, vouchers, hospitality) are the property of the Authority. As a general rule they should not be accepted unless clearly trivial. Seek guidance from the Head of Finance and record all offers, including those declined, in the Gifts and Hospitality register.

12.7 Unofficial Funds

12.7.1 The Chief Fire Officer is responsible for ensuring that all voluntary and unofficial funds held, where money and/or assets are handled by an employee in the course of their employment or office, which have not been issued by the Authority, are properly administered and audited annually.

12.7.2 The Authority will not supervise the financial administration nor audit unofficial funds and accepts no liability for any loss. Those operating the funds have an overall financial responsibility to ensure that proper financial stewardship is observed. This includes:

- a Section 151 Officer and an independent examiner are formally appointed
- proper rules are operated to maintain adequate standards;
- adequate records and procedures are maintained;
- regular reports on fund transactions and balances are received and checked against bank statements;
- annual statements of income and expenditure and fund balances are prepared and subject to independent examination;

12.7.3 It is the responsibility of those operating or intending to operate the Fund to:

- notify the Head of Finance of details of the fund as soon as this is set up;
- provide an independent annual examination certificate for the fund to the Head of Finance within three months of the end of the financial year, showing at least opening and closing balances and total income and expenditure;
- The Section 151 Officer reserves the right to inspect the accounts and records of such funds as necessary.

Appendix 1

Responsibility Matrix

Activity	Fire Authority	Chief Fire Officer	Section 151 Officer	Monitoring Officer	Assistant Chief Fire Officer (Finance & Resources)	Head of Department
Strategic Activity						
Approve the Financial Regulations	X					
Make strategic decisions which impact on the financial performance and position of the Authority's MTFS	X					
Prepare the Medium-Term Financial Strategy (MTFPS)		X	X		X	
Approve the MTFS, annual budget and levy	X					
Approve the terms under which banking services are provided	X					
Approve the Reserves Strategy	X					
Approve the Treasury Management Strategy and Capital Plan	X					
Revenue and Capital Budgeting						
Ensure that any Revenue or Capital budget bids considered significant by the Section 151 Officer are fully costed and completed using the required templates.						X
Prepare the draft Revenue Budget and Capital Programme (Budget) and calculate the draft levy.			X			
Report on the robustness of the estimates used in the budget, and the adequacy of the Authority's reserves for which the budget provides as part of the budget approval process			X			
Monitor and review the Reserves Strategy			X			
Approve the Revenue Budget, Capital Programme and levy.	X					
Consider any additional items of expenditure which would lead to new or significant variation in policy.	X					

Delegation of and Management of Revenue and Capital Budgets						
Maintain a scheme of Financial Delegation which includes limits to individual officers' approval and ensures that all revenue and capital budgets are allocated to a HOD. Budget delegation below HOD will be at HOD discretion, but the HOD will retain responsibility for the budget.		X	X		X	
Ensure appropriate delegation of budget management takes place and ensure budget managers have regular reports to help them effectively manage budgets.					X	
Plan to spend budgets in accordance with the Authority's objectives and effectively control the spending within budget						X
Provide timely and accurate financial monitoring information			X			
Regularly monitor budgets and consider how to deal with any variances					X	X
Report financial performance to Members at least quarterly			X			
Consider performance against the budget and capital programme regularly	X					
Statutory Accounts						
Prepare the statutory accounts of the Authority (including certifying the draft accounts by the end of the May following the yearend)			X		X	
Approve the statutory accounts by the end of September following the year end	X					
Treasury Management						
Appoint the Authority's bankers	X					
Ensure that adequate Treasury Management practices are in place, including arranging any necessary loans or investments in accordance with Cash Flow forecasts			X			
Prepare and manage the annual Treasury Management Strategy and Capital Plan including approval of and monitoring of Prudential Indicators			X			
Approve the annual Treasury Management Strategy	X					

Financial Management and Control						
Convene and chair the Senior Leadership Team which consists of Senior Officers and considers financial matters including budget monitoring		X				
Offer advice on all financial matters			X		X	
Ensure the provision of financial services including the payment of invoices, financial information, imprest accounts, and the collection of income			X			
Ensure the provision a payroll and pensions service					X	
Ensure suitable financial and control systems are in place, including financial procedures			X			
Ensure assets are effectively managed			X			X
Ensure tendering procedures are in place and followed			X			X
Ensure that all financial transactions pass through the Authority's financial system.						X
If requested, provide the Chief Fire Officer, Section 151 Officer, Assistant Chief Fire Officer (Finance & Resources), and External or Internal Auditor with access to any document or record under their control.						X
Ensure that all officers who are responsible for any financial activity receive appropriate induction and training					X	X
Ensure that that financial aspects of joint arrangements and partnerships are effectively managed.		X	X	X		X
Ensure a suitable Risk Management process is in place for financial risks		X				
Ensure that the Authority has appropriate Insurance arrangements in place.					X	

Statutory functions						
Ensure that the Authority meets its statutory and regulatory requirements (which includes the Accounts and Audit regulations; the Local Authority Accounting Code of Practice; the Code of Practice for Treasury Management; and the Internal Audit Code of Practice)	x	x advisory	x			
Fulfil the responsibilities of a Chief Finance Officer under Section 151 of the Local Government Act 1972, and function as Section 151 Officer to the Authority			x			
Fulfil the duties of a Chief Finance Officer under Section 114 of the Local Government Act 1988			x			
Appoint a deputy Section 151 Officer		x				
Maintain an effective internal audit function	x		x			

Document Control Information:

Policy title:	Financial Regulations
Policy owner: (role)	Assistant Chief Fire Officer (Finance and Resources)
Author: (Name)	Head of Finance
Authoriser: (role)	Fire and Rescue Authority
Issue status:	Updated – for approval
Protective marking:	-
Issue date:	TBC
Next review due:	TBC
Audience:	For Audit Committee and FRA
Version Number:	3.0

Distribution History:

Date	Version No	Distributed to: (role/s or group/s)
September 2014	1	Public
March 2022	2	Public
July 2025	3.0	Changes following draft review by HoF, submitted to A/C for approval
XXX	3.1	FRA for approval
XXX	3.2	Public document

Report to	Audit Committee
Date	15 September 2025
Lead Officer	Justin Evans, Assistant Chief Fire Officer
Contact Officer	Justin Evans, Assistant Chief Fire Officer
Subject	Audit Wales Report: Putting out Future Fires



PURPOSE OF REPORT

- 1 To present the findings and recommendations of the Audit Wales July 2025 report, 'Putting out Future Fires', on North Wales Fire and Rescue Authority (the Authority)'s approach to targeting fire prevention work.

EXECUTIVE SUMMARY

- 2 Audit Wales has completed a performance audit of the Authority's fire prevention strategy, focusing on how effectively it targets its resources towards the most vulnerable households. The report acknowledges areas of promising practice, including the use of National Health Service (NHS) data and repeat visits to high-risk households. However, it identifies gaps in systematic targeting, value-for-money assessment, and inclusive engagement. Two formal recommendations have been made to strengthen the Authority's approach.

RECOMMENDATION

- 3 It is recommended that Members:
 - i) **Note the findings and recommendations of the Audit Wales report;**
 - ii) **Endorse the development of a targeted improvement plan addressing the two recommendations; and**
 - iii) **Request a progress update in Q1 of 2026-27 on implementation actions.**

BACKGROUND

- 4 The audit was conducted under Section 17(2)(d) of the Public Audit (Wales) Act 2004 and informed by the Well-being of Future Generations (Wales) Act 2015. It focussed on household-level fire prevention, excluding youth education, wildfire reduction, and road safety.

INFORMATION

- 5 The Audit Wales report provides a balanced view of the Authority's prevention work, recognising several areas of strength while highlighting opportunities for development.
- 6 Positive activity highlighted includes:
 - A 33% reduction in dwelling fires and 43% reduction in fire casualties since 2009-10;
 - Use of NHS data and mapping tools to identify and track high-risk households;
 - Repeat visits to higher-risk homes, recognising that risk factors often increase over time;
 - Quality assurance checks for both specialist officers and fire crews;
 - Partner training to improve referral accuracy and consistency; and
 - Performance dashboard and regular reporting to senior leaders.
- 7 Key findings include:
 - The Authority has a good basic targeting approach but could be more consistent. Only 29.4% of home safety checks were in higher-risk homes, suggesting scope to sharpen our focus.
 - Data gaps remain — particularly around isolated individuals and emerging risks.
 - Referral and data-led cases could be treated differently, which may lead to unequal outcomes.
 - Equality data is limited, making it harder to demonstrate compliance with legal duties.
 - Scrutiny from Members has been limited, and learning from incidents could be more systematic.
- 8 The report makes two recommendations: one on improving how to identify and reach higher-risk individuals, and one on strengthening the Authority's understanding of the value added by its prevention activity.

IMPLICATIONS

Well-being Objectives	The report supports North Wales Fire and Rescue Service (the Service)'s commitment to prevention and sustainable development, but highlights the need for more inclusive engagement and systematic evaluation.
Budget	The Authority received £240,000 in 2023-24 for home safety equipment. Funding pressures, including the loss of arson reduction grants and rising equipment costs, require prioritisation of core prevention activities.
Legal	The findings relate to compliance with the Public Sector Equality Duty and Socio-Economic Duty. Improvements in data use and community engagement are needed to demonstrate legal alignment.
Staffing	No immediate staffing implications, but potential need for enhanced training and quality assurance for officers and partners involved in referrals and home safety checks.
Equalities/Human Rights/ Welsh Language	The report identifies gaps in monitoring protected characteristics and socio-economic indicators. Actions will be taken to improve inclusivity and bilingual service delivery.
Risks	<p>Risk of missing high-risk individuals due to data gaps or inconsistent referral practices.</p> <p>Risk of unequal outcomes for similar households due to current targeting thresholds.</p> <p>Risk of reduced prevention impact if funding pressures are not mitigated.</p>

Putting out future fires

Prevention at North Wales Fire and Rescue
Authority

July 2025

About us

We have prepared and published under section 17 (2) (d) of the Public Audit (Wales) Act 2004. It may also inform reporting under section 15 of the Well-being of Future Generations (Wales) Act 2015.

© Auditor General for Wales 2025

You may re-use this publication (not including logos except as an integral part of the document) free of charge in any format or medium.

If you re-use it, your re-use must be accurate and must not be in a misleading context. The material must be acknowledged as Auditor General for Wales copyright and you must give the title of this publication. Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned before re-use.

If you need any help with this document

If you would like more information, or you need any of our publications in an alternative format or language, please:

- call us on 029 2032 0500
- email us at info@audit.wales

You can use English or Welsh when you get in touch with us – we will respond to you in the language you use.

Corresponding in Welsh will not lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Audit Wales follows the international performance audit standards issued by the International Organisation of Supreme Audit Institutions (INTOSAI).

Contents

Audit snapshot	4
Key facts and figures	6
Our findings	7
Recommendations	14
1 About our work	17
About us	19

Audit snapshot

What we looked at

- 1 We looked at the approach taken by North Wales Fire and Rescue Authority (the Authority) to targeting its fire prevention work. We focused on the targeting of the most vulnerable people to help reduce fires and reduce serious injury or death.
- 2 Prevention work by the Authority has many approaches. We focused our work on looking at how the Authority works with individual households. We did not focus on other prevention work, such as youth education or wildfire reduction. We also did not look at prevention to reduce the Authority's rescue activity, such as road safety activity.

Why this is important

- 3 Prevention is critically important as it has the potential to save lives and stop serious injuries from happening. It also has the benefit of avoiding damage to people's homes and the disruption caused by loss of property. This can have benefits for individuals, families, and wider communities.
- 4 Targeting efforts at the most vulnerable people can also be a sign of good value for money being achieved by the Authority. This is because the Authority's limited resources are being focused on the greatest community risks.
- 5 Vulnerability can also be linked to various forms of disadvantage. Targeting efforts at vulnerable people helps to show that the Authority is acting in line with legal duties placed on it for equality. Prevention is also one of the five ways of working to help the Authority show it is acting in line with the sustainable development principle.

What we have found

- 6 The Authority has a good basic approach to its targeted fire prevention. This includes some areas of promising practice. However, it could do more to ensure it targets its resources so they are always focused where they are most needed.

What we recommend

- 7 We have made two recommendations to support the Authority improve its approach. This includes assessing where gaps may exist in the Authority's current approach and planning to address these gaps. We also recommend that the Authority strength its understanding of the value achieved by its prevention activities to help further target actions to make the greatest impact.

Key facts and figures

- 33% – the decrease in dwelling fires between 2009-10 and 2023-24
- 43% – the decrease in fire fatalities and casualties from 2009-10 and 2023-24
- seven – the number of risk factors used by the Authority to identify people at the highest risk
- five or more – the number of risk factors a household needs to be classed as high risk
- 29.4% – the proportion of home fire safety checks completed in higher-risk households in the first nine months of 2024-25

Our findings

The Authority has a reasonable understanding of who is at high risk of fire, but could do more to ensure no one is missed

- 8 To identify people at risk, Fire and Rescue Authorities (FRAs) need to understand two elements. Firstly, the factors that are likely to make people be at a higher risk of fire. Secondly, how to identify the individuals who experience these factors. Understanding both is key to FRAs targeting activities, like home safety visits, towards those who need them the most.
- 9 The Authority has taken several key steps to help it understand which people are at a higher risk. It draws on a range of sources to do this. The Authority combines these sources to identify households and reduce potential gaps between the different sources. It draws on:
 - data from previous fires;
 - referrals from 69 partner agencies;
 - referrals from the public and local fire crews; and
 - data from the NHS.
- 10 The Authority's use of NHS data is particularly promising. The Authority has developed a map to show where households with high-risk factors are located. It then records where a visit has taken place, so users can visibly see where officers have visited a high-risk house. It plans to enhance this further by adding data from actual incidents. This could help the Authority understand whether its prevention work is meeting its aims.
- 11 However, all data sources can have their limitations. NHS data can sometimes be incomplete. This means that it is important for the Authority to check with other sources to help identify higher-risk households.

- 12 Similarly, data from previous fires is not always a complete guide to future risk. For example, a population group may be at a higher risk of having a fire but not shown in the data clearly due to a small population locally. Data from the past is also not a good source of information on risks that are only newly emerging.
- 13 Data may also not capture certain types of risk. For example, people that lived in isolated situations are known to be at a higher risk of fire. This would include people that do not access public services so would not be shown in the data. It may also mean that they are less likely to be referred to the Authority. This is a potential gap in any approach to find people facing higher levels of risk.
- 14 The Authority has recognised some of the potential gaps and challenges it faces in its approach. It is taking steps to address them. However, it lacks a complete, systematic approach to do this.
- 15 In addition, the process for deciding whether people are at high risk involves considerable judgement. Partner agencies play an important role in making these judgements. Referrals can have benefits and downsides, which officers have shown they are aware of. Their main benefit is to draw on partners' expert knowledge of the community. A potential downside is that partners may not make a referral, leading to a higher-risk person being missed. To help with this, the Authority has given partners training on how to make good referrals. This includes guidance on what is a higher or lower risk household and to complete forms accurately. This helps the Authority ensure the quality of the referrals it receives.
- 16 The Authority has taken steps to engage groups. For example, whilst it was developing its Community Risk Management Plan. However, the consultation only covered broad issues. It did not look at the specific changes the Authority could make to make its work more inclusive. Community involvement by the Authority helps to ensure a more complete understanding of the area and its risks. Involving people with protected characteristics may help find currently unknown risk factors that place people at greater risk. Involvement can also help the Authority ensure its home safety visits are inclusive in their delivery.

The Authority has a clear approach to risk targeting, but should check for unintended consequences

- 17 The Authority systematically looks to target its prevention work to those who face the highest risk of fire. It assesses the level of risk posed by each household and measures their risk level. The Authority generally gives the highest-risk households a faster and more specialised response. Prioritising by risk helps ensure that people that have a greater risk of fire get support before incidents happen.
- 18 The Authority repeats home safety visits to higher-risk households to continue to monitor their risk. It re-engages with higher-risk households around one to three years after their initial home safety visit. This is promising for several reasons. Many of the factors that increase the risk of fire among people, such as age or frailty, are likely to worsen over time. At the same time, the potential benefits of the initial visit will reduce, such as advice being forgotten or equipment breaking. Repeating visits helps to complement the Authority's approach to reducing risk and targeting those in the most need.
- 19 However, it is not clear that the Authority has assessed whether its targeting of activity always matches its risk appetite. The Authority has had to make tough decisions about:
 - Which risks factors to focus on?
 - Which risk factors to disregard?
 - How to split homes between low, medium, and higher risk?
 - Who qualifies for what equipment?
- 20 It is important for the Authority to be confident that its approach does not expose any households to a level of risk it deems unacceptable. This is particularly important as small changes can make a difference to the response from the Authority. For example, the difference between high and medium risks could change on something small, like a birthday being the week after not before an assessment. This could change the response given by the Authority.

- 21 The Authority's approach may lead to different outcomes for households with similar characteristics. For example:
- When the Authority repeats visits to households, it only includes those assessed as higher risk originally. This could mean that households that have increased in risk but were not assessed as higher risk originally could be missed. This is despite having just as much need.
 - The Authority's targeting approach is different between referrals and NHS data. A 75-year-old with no risk factors identified in data would qualify for a visit from a fire crew, but a 75-year-old with one or two risk factors identified from a referral would usually qualify for a phone call.

The Authority is striving to put its prevention approach into action and has taken promising steps

- 22 The Authority takes several steps to try to ensure its officers conduct high-quality home safety checks. Specialist officers visit higher-risk households. They are trained and have twice-yearly quality assurance checks. Fire crews visit medium and lower-risk households. Crews also have their work observed once a year by specialist officers. The Authority's quality assurance helps to ensure people at risk consistently receive key advice and support.
- 23 The Authority collects data on the home safety checks it completes. This can be split into higher, medium, and lower-risk households. During the first nine months of 2024-25, 29.4% of home safety checks completed by the Authority were higher risk.¹ This may seem low, however, it is due to the threshold the Authority has set for its own definition of a higher-risk household. If the Authority included households with three or four risk factors in its higher-risk category, the proportion of higher-risk home safety checks would rise to 46%. This would still not be most of its activity, which means the Authority could target its resources more. This is further suggested by the percentage fall in home safety visits compared with the previous year.

¹ The assessment of low, medium, and higher risk is that defined and assessed by the Authority. As a result, this data should not be compared to data from other FRAs which may use different definitions.

A stronger understanding of value for money could help the Authority to make spending choices

- 24 Public sector funding challenges have meant tough decisions across the sector. Home safety equipment has been funded by grants awarded to the three Welsh FRAs. In 2023-24, the Authority received £240,000 to purchase equipment. Other prevention activity is funded by the Authority's budget, funded by its levy on councils.

- 25 In recent years, the Authority has faced new pressures for funding its prevention work. This has included the loss of a Welsh Government grant for arson reduction, which supported prevention work. The Authority has also experienced increased prices for the home safety equipment it provides during its visits. To mitigate these challenges, the Authority needs to be clear on what activity is critical to fund from its own resources.

- 26 The Authority has modified its approach to getting new referrals to keep its workload manageable in this challenging context. The Authority has reinforced its message to partners that they should focus on making higher-risk referrals. It has reduced the pace of its efforts to generate other new referrals. This means the Authority has to tolerate some additional risk, as referrals are a key way the Authority assures itself that it is not missing higher-risk people.

- 27 The Authority has not yet had to stop providing home safety equipment due to its funding pressures. Instead, it has prioritised its work. The Authority is considering whether it will have to stop providing carbon monoxide alarms without additional funding. It is exploring potential partnerships to fund future equipment, but it is not confirmed. All external funding comes with a risk that it may end or reduce in value. To mitigate this risk, the Authority needs to be clear on what activity is critical to fund from its own resources.

- 28 When making tough decisions in this context, the Authority needs to assess the value of its activity. This could be, for example, through identifying the extra risks faced by higher-risk people without a home safety visit. This would help the Authority understand the cost against the benefit of any proposed savings. It would also inform choices by the Authority on the total share of its resources it dedicates to prevention. This could include considering different ways of preventing fires compared to its current approach. As the Authority does not yet have a method to do this, it cannot fully demonstrate how it considers value for money when allocating resources for prevention.

Fire casualties have decreased but the Authority needs to be clear on the prevention activity that works

- 29 The Authority has put in place the key parts of its system to monitor and report on its prevention work. Monitoring and reporting are key as they help the Authority understand what is working and what needs to change. The Authority has a performance dashboard that includes detailed information on the home safety checks completed and fire incidents. This data is also included in quarterly reports to senior leaders and the Fire Authority. A process is also in place to report fundings from any fatal incidents to support learning.
- 30 The Authority could build on this further to help inform its approach. This could include equality data. The Authority cannot currently review the households it has visited by protected characteristics or socio-economic indicators. This makes it harder for the Authority to monitor risks associated with some communities. It also makes it harder for it to demonstrate acting in line with the Public Sector Equality Duty and the Socio-Economic Duty.
- 31 The Authority sets targets and records times for completing home safety checks. This means that the Authority has evidence of how long it takes for cases to progress and achieve an outcome. This may be useful in monitoring and planning activity. However, time targets may also deter officers from spending longer time in more complex cases.

- 32 The Authority could also make more use of its incident data, including near misses. Incident data can give insights not only on who may be at risk, but also on ways to strengthen the home safety check process. We found some examples where the Authority had adapted the process in response to lessons on incidents. It could make this learning process more systematic. In particular, it is important to check whether any lessons can be learnt from cases where a home safety check has taken place, but an incident still occurs.
- 33 Scrutiny by the Authority's councillors has not supported learning. Councillors have asked questions to officers about the approach used towards prevention. However, this has been limited. Scrutiny from non-officers can help provide a different view on activity and help identify improvements to support achieving value for money.
- 34 The Authority does not have a detailed understanding of how its activity helps to prevent fires happening. Dwelling fires and casualties have substantially fallen since 2009-10. However, the Authority is not clear on how its activity has contributed to this. Measuring the impact of prevention when an event that has not happened is clearly incredibly hard. The NFCC has completed an assessment of the benefits of prevention work across in England.² It estimated that home safety checks had a gross return on investment of 267% for every pound spent between 2016 and 2019. No recent comparative analysis on a Welsh or Authority level has been completed.

² NFCC, [Economic and Social Value of the UKFRS](#), July 2023

Recommendations

- R1** We found risks in the how the Authority identifies people with a higher risk of fire. We recommend that the Authority should assess where it may have gaps in its approach and should address these gaps to ensure its actions target people with the highest risk. In doing this, the Authority should:
- 1.1** Regularly look for risks outside of past incident data.
 - 1.2** Trial approaches to identify people with a higher risk of fire who are in isolated situations and adopt any effective approaches. This should include the use of data.
 - 1.3** Involve communities with protected characteristics to ensure an inclusive approach.
 - 1.4** Add quality assurance steps to reduce the risk of partners not referring people with a higher risk of fire.
 - 1.5** Compare the partners it works with to other FRAs to ensure the completeness of its approach.

- R2** We found that the Authority needs to strengthen its understanding of the value added by its prevention activity. This is to support more clearly the targeting of resources to show the value for money achieved. To do this, the Authority should:
- 2.1** Develop ways to assess the contribution of prevention activity in reducing fires, fire deaths, and serious injuries – particularly for those at a higher risk of fire.
 - 2.2** Develop a structured approach to assessing the costs, benefits and risks of its approach and alternatives. This should reflect the Authority's risk appetite and equality duties.
 - 2.3** Use its structured approach to review its definitions of low, medium, and higher-risk cases and the resources allocated.
 - 2.4** Collaborate with the other Welsh FRAs to establish common definitions to enable comparisons and learning between Authorities. This should also consider the views of the Welsh Government.

Appendices

1 About our work

Scope of the audit

We looked at the approach taken by the Authority to targeting its fire prevention work. We focused on the targeting of the most vulnerable people to help reduce fires and reduce serious injury or death. We focused our work on looking at how the Authority works with individual households.

We did not focus on other prevention work, such as youth education or wildfire reduction. We also did not look at prevention to reduce the Authority's rescue activity, such as road safety activity.

Audit questions and criteria

Questions

To understand the Authority's approach, we looked at:

- the Authority's understanding of who is at a high risk of fire;
- the clarity of the Authority's policy and approach;
- the partners the Authority is working with to prevent fires;
- the resources used by the authority to prevent fires; and
- the evaluation by the Authority of its activity.

Criteria

What we looked for was informed by a range of sources. This included the Fire and Rescue National Framework and guidance issued by the NFCC. We also used our knowledge of the Well-being of Future Generations (Wales) Act to understand how the Authority showed how it acted in line with the sustainable development principle.

Methods

Our methods included:

- Data analysis – we analysed data provided by the Authority and available from the Welsh Government in relation to prevention work.
- Document review – we read documents provided by the Authority in response to our audit questions. This also included plans and grant documents for all three Welsh FRAs, as well as national guidance.
- Interviews – we interviewed five officers from the Authority involved in delivering prevention activity.

About us

The Auditor General for Wales is independent of the Welsh Government and the Senedd. The Auditor General's role is to examine and report on the accounts of the Welsh Government, the NHS in Wales and other related public bodies, together with those of councils and other local government bodies. The Auditor General also reports on these organisations' use of resources and suggests ways they can improve.

The Auditor General carries out his work with the help of staff and other resources from the Wales Audit Office, which is a body set up to support, advise and monitor the Auditor General's work.

Audit Wales is the umbrella term used for both the Auditor General for Wales and the Wales Audit Office. These are separate legal entities with the distinct roles outlined above. Audit Wales itself is not a legal entity.



Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and
telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a
galwadau ffôn yn Gymraeg a Saesneg.