



# North Wales Fire and Rescue Authority Financial Regulations

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Financial Regulations

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# 1 Introduction

The objective of this document is to set out the framework of financial governance to ensure that public accountability, good stewardship and high standards of financial integrity are exercised in the use of North Wales Fire and Rescue Authority's (the Authority) funds.

Financial regulations provide the framework for managing the Authority's financial affairs and are applicable to every member of the Authority and employee of North Wales Fire and Rescue Service.

The Audit Committee is responsible for ensuring a continuous review of the financial regulations and for advising of any additions or changes as necessary. The Section 151 Officer is responsible for reporting, where appropriate, any breaches of the financial regulations to the Audit Committee and the Fire and Rescue Authority.

These Financial Regulations are to be operated in accordance with procedures laid down by the Section 151 Officer, so as to enable him/her to fulfil his/her statutory responsibilities as the officer charged with administering the financial affairs of North Wales Fire and Rescue Authority.

Within this document reference is made to "the Authority", this may, where permitted by law and in accordance with the scheme of delegation, include matters delegated to the Executive Panel, Audit Committee or to the Head of Paid Service.

The Head of Paid Service is the Chief Fire Officer who is supported by the Section 151 Officer. The Section 151 Officer is the officer designated with statutory responsibility for ensuring the financial accountability and stewardship of the Authority.

The Financial Regulations apply to all Members and Co-opted Members of the Fire and Rescue Authority, officers, managers and employees of the Fire and Rescue Service. In the context of these Financial Regulations an officer is defined as an employee holding the rank of Station Manager or above or Head or Deputy Head of Department for non-operational roles.

It is the responsibility of all Members and officers to familiarise themselves with the provisions of the Financial Regulations and for officers to take reasonable steps to bring them to the attention of their staff as appropriate. Where deemed appropriate by the Section 151 Officer, detailed procedures will be developed to provide further instructions for the application of these Financial Regulations.

## **Compliance**

The Service Leadership Team are responsible for ensuring that all officers in their departments are aware of the requirements of the Regulations and that they comply with them at all times.

It is not possible for these Regulations, to cover every eventuality that may arise. In the case of any doubt, advice should always be taken from the Assistant Chief Fire Officer (Finance & Resources) and the spirit of the regulations should always be followed.

Failure to comply with Financial Regulations, or the instructions issued under them, will constitute misconduct.

For employees/officers, a breach of the provisions of these Financial Regulations may result in disciplinary action being taken in accordance with the Service's Disciplinary Procedure.

For Authority Members and Co-opted Members, a breach of the provisions of these Financial Regulations could, depending on the circumstances, result in action being taken under the provisions of the Authority's Code of Conduct.

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## 2 Administration of Financial Affairs

### 2.1 Responsibility

- 2.1.1 The Section 151 Officer to North Wales Fire and Rescue Authority (the Authority) may, where appropriate, supplement these regulations by the issue of detailed accounting procedures/guidance for the day to day management of the financial affairs.
- 2.1.2 The Chief Fire Officer and officers have responsibility for ensuring that Financial Regulations and accounting instructions/manuals are complied with, by all employees and shall report any breaches to the Section 151 Officer.
- 2.1.3 The Section 151 Officer is appointed in accordance with the requirements of section 112 of the Local Government Finance Act 1988, and he/she shall advise the Authority, and its Committees on all matters which affect or are liable to affect the Authority's finances or financial administration.
- 2.1.4 All accounts which are required to be audited, in accordance with legislation, shall be approved by the Section 151 Officer and all financial records subsidiary to those accounts shall be kept by the Section 151 Officer or under arrangements approved by him/her.
- 2.1.5 The respective roles and responsibilities, in relation to financial matters, of the Authority, the Chief Fire Officer, the Section 151 Officer, the Monitoring Officer, the Assistant Chief Fire Officer (Finance and Resources) and Department Heads are contained in the Responsibility Matrix which forms Appendix 1.
- 2.1.6 The following key principles will be observed in the allocation of accounting duties:
- The duties of providing information regarding the sums due to, or from, the Authority and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them.
  - The Chief Fire Officer, in consultation with the Section 151 Officer, shall nominate officers of the Authority to organise and supervise the financial work of the Authority on a day-to-day basis. This scheme of delegation is a record of officers authorised by him/her to certify financial documents on his/her behalf. The Financial Scheme of Delegation is maintained by the Head of Finance.

- The Chief Fire Officer shall inform the Section 151 Officer of any matter which affects or is liable to affect the Authority's finances. No report on any such a matter shall be submitted to the Authority, or relevant committee until the Section 151 Officer has been consulted and has had the opportunity to comment on the full financial implications of the matter. The Chief Fire Officer shall provide the Section 151 Officer or his/her authorised representative with any necessary information and access to all documents and reports under their control.
- Financial records should normally be retained for six complete financial years plus the current financial year, however there may be occasions where specific limits are set, for example grant funding requirements.

## **2.2 Financial Risk Management**

- 2.2.1 All organisations face risks which can affect delivery of services and achievement of its objectives.
- 2.2.2 Risk is defined as the chance or possibility of loss, damage or injury caused by an unwanted or uncertain action or event. Risk Management is the planned and systematic approach to the identification, evaluation and control of risk.
- 2.2.3 The Executive Panel has delegated responsibility to consider, on an annual basis, a report on the risk register and is charged to consider any significant changes in risk and with monitoring the effectiveness with which key risks identified are managed.
- 2.2.4 The Section 151 Officer is responsible for ensuring arrangements are in place for the identification, assessment, recording, reporting and monitoring of financial risks. Such risks will be included in the Corporate Risk Register as appropriate, including any controls or mitigation in place.
- 2.2.5 The Authority's budget process will also include due regard for financial risks which should be reported as part of the development of the medium term financial strategy.

## **2.3 Internal Controls and Internal Audit**

- 2.3.1 The Authority is required to make proper arrangements for the administration of its financial affairs and ensure that it has a sufficient system of internal control.
- 2.3.2 Internal control refers to the systems of control devised by

management to help ensure the Authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Authority's assets and interests are safeguarded.

2.3.3 As part of the discharge of this function, the Authority's appointed internal auditors shall provide an annual statement on the existence and adequacy of internal controls. In undertaking its functions, the Internal Audit function shall comply with the current Auditing Guidelines issued by the Auditing Practices Board.

2.3.4 The responsibility of Internal Audit is to review, appraise and report upon:

- (i) the soundness, adequacy and application of financial and other management controls;
- (ii) the extent of compliance, with relevant established policies, plans and procedures;
- (iii) the extent to which the Authority's assets and interests are accounted for and safeguarded from losses of all kinds arising from:
  - fraud and other offences,
  - waste, extravagance and inefficient administration, or other cause;
- (iv) the suitability and reliability of financial and other management data developed within the Authority.

2.3.5 In order to discharge these responsibilities the Internal Audit Function may:

- (i) enter any operational or administrative premises of the Authority at any time on production of evidence of identity;
- (ii) call for, examine and where necessary, copy or retain, all records which in his/her opinion relate to the accounts and the financial administration of the Authority. The right of examination of records for audit purposes includes the right of the Section 151 Officer, or his/her authorised representative, to independent access to such computers, computer applications and the output therefrom as the Section 151 Officer considers necessary;
- (iii) require from any employee such information and explanations as he/she considers necessary for audit purposes;



- (iv) require any employee of the Authority to produce or account for cash, stores or any other property of the Authority which has been entrusted to his/her custody;
- (v) examine any work or services carried out for the Authority by an employee or contractor, and any goods purchased on behalf of the Authority or issued from stock.

2.3.6 Whenever any matter arises which involves, or potentially involves, an irregularity concerning cash, stores, property or administration of the Authority's financial affairs, the Section 151 Officer shall be informed immediately and shall take such further action, by way of investigation and report as he/she considers appropriate in consultation with the Chief Fire Officer and the Authority's Monitoring Officer.

2.3.7 The Audit Committee has delegated responsibility to appoint the Internal Auditors, approve the Internal Audit work programme, consider the Internal Audit reports and annual report.

## **2.4 External Audit**

2.4.1 Audit Wales is responsible for appointing external auditors. The basic duties of the external auditor are governed by the Public Audit (Wales) Act 2004 which permit the Auditor General for Wales to prepare a code of audit practice, prescribing the way in which external auditors should carry out their functions. The Auditor General's Code of Audit and Inspection Practice, issued in May 2005, sets out the general principles governing the work of auditors as well as specific requirements in relation to the:

- Audit of financial statements; and
- Evaluation of arrangements for securing economy and efficiency.

2.4.2 The authority may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenues and Customs and the Welsh Government who have statutory rights of access

# **3 Financial Planning**

## **3.1 Forward Planning**

3.1.1 Each year the Section 151 Officer shall submit to the Authority an

appraisal of the current financial position of the Authority together with an assessment of those factors likely to affect the Authority's financial arrangements for the following financial year, and subsequent years where appropriate. This appraisal shall consider all relevant risks and uncertainties faced by the Authority, including any decisions made in respect of service provision or future priorities.

- 3.1.2 The appraisal undertaken by the Section 151 Officer will consider both revenue and capital planning assumptions and will inform the determination of the Authority's medium term overall financial and other objectives.
- 3.1.3 If determined appropriate by the Section 151 Officer, financial appraisals may be submitted to the Authority at more frequent intervals.

## **3.2 Revenue Budget**

- 3.2.1 Prior to the start of each financial year and in accordance with the timescales set out in the relevant legislation, the Section 151 Officer, in consultation with the Chief Fire Officer and relevant officers, shall submit to the Authority details of the proposed revenue budget for the forthcoming financial year and the medium term financial strategy, covering the subsequent two years.
- 3.2.2 The revenue budget will detail the expected income and expenditure requirement and include known material risks and uncertainties. The base budget shall, in general, reflect the continuation of existing services at their current level, and include for other items already specifically approved by the Authority or arising from past decisions of the Authority. Where changes to existing service delivery models are considered the financial effects of such proposals shall be calculated and reported by the Section 151 Officer.
- 3.2.3 In submitting the income and expenditure requirement to the Authority the Section 151 Officer must confirm the forecast of the likely funding requirement from constituent local authorities.
- 3.2.4 The Authority is required to consider the proposed revenue income and expenditure plans in conjunction with known risks and uncertainties and funding requirements. The Authority may make amendments to such plans as necessary to enable formal approval, within the relevant timescales.
- 3.2.5 The approval of the budget cannot be delegated to the Chief Fire Officer or Section 151 Officer.

- 3.2.6 The Section 151 Officer shall prepare a financial report for each meeting of the Authority demonstrating the performance of the Authority against the approved budget.
- 3.2.7 Following approval of the revenue and capital budgets and having regard to the discussions regarding the medium term financial strategy, both additions and reductions may be submitted to the Authority. No financial commitment shall be entered into, in respect of any such item proposed, until the expenditure provided for in the budget has been approved by the Authority.

### **3.3 Capital Programme**

- 3.3.1 Prior to the start of each financial year and in accordance with the timescales set out in the relevant legislation, the Section 151 Officer, in consultation with the Chief Fire Officer and relevant officers, shall submit to the Authority details of the proposed capital expenditure requirement for both the forthcoming year and two subsequent years, as part of the Medium Term Financial Strategy.
- 3.3.2 In submitting the expenditure requirement to the Authority, the Section 151 Officer shall provide information to the Authority of the financial implications of the proposed capital expenditure. This will include the anticipated capital financing costs.
- 3.3.3 The Authority shall consider the proposed capital programme in the light of the Authority's overall financial position, and may amend such plans in determining its overall programme for the year.
- 3.3.4 Approval of the capital expenditure cannot be delegated to either the Chief Fire Officer or Section 151 Officer.
- 3.3.5 No capital expenditure shall be considered unless it has been approved as part of the budget process or subsequently, and both capital and revenue resources are available.

## **4 Financial Management and Reporting**

### **4.1 Budgetary Control**

- 4.1.1 The Section 151 Officer has primary responsibility for ensuring adequate arrangements for budgetary control. The Chief Fire Officer shall put in place a scheme of delegation for day to day operation of budget management, monitoring and reporting.

- 4.1.2 The Section 151 Officer and Chief Fire Officer will monitor the approved budget, seeking explanations for variations and reporting to the Authority at each meeting. The reports should include a summary by key expenditure headings and provide a short commentary explaining items of significance.
- 4.1.3 The Assistant Chief Fire Officer (Finance and Resources) and Head of Finance are responsible for the day to day monitoring and reporting of the budget and for ensuring the Authority achieves a balanced budget.
- 4.1.4 It is the responsibility of the designated budget holders to control income and expenditure within their areas and to manage performance and provide information that is complete and accurate to ensure reporting is in line with requirements. The budget holder must take any necessary action to avoid exceeding their financial allocation.
- 4.1.5 All officers responsible for committing expenditure and generating or collection of income must comply with all procedures, financial regulations and contract procedure rules.
- 4.1.6 The Section 151 Officer and Chief Fire Officer shall, at such intervals as may be agreed with the Section 151 Officer, report to the Authority on the progress of the capital programme.

## **4.2 Dealing with Overspending of Revenue Budgets**

- 4.2.1 All budget holders must regularly scrutinise their budgets and seek to avoid overspends wherever possible. In the event of an over spend being identified, it is important that the reasons for this are established, assessed and appropriately managed. Where the over spend is likely to be recurring in nature this must be reported as part of the budget setting cycle outlined in 3.2.1.
- 4.2.2 Where a revenue overspend is projected, the following process will apply. All actions should comply with the virement rules set out in section 4.4 of this document.

The budget holder will offset the over spend from within the existing departmental budget.

If this is not possible then



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The Principal Officer will offset the over spend from within his/her function.

If this is not possible then



Executive Board will offset the over spend from within the Service budget, including, if necessary, the Service contingency.

If this is not possible then



Approval will be sought, from the Authority, to utilise reserves to offset the overspend

## **4.3 Capital Programme**

- 4.3.1 In order to qualify as capital, expenditure must satisfy the following criteria:
- Be in excess of £5,000
  - Create an asset which has benefits which last for more than one year
  - Comply with guidance in the appropriate CIPFA Code.
- 4.3.2 Where a capital scheme is estimated to be overspent, if the overspend is estimated to be 10% or more than £50k, whichever is the lower, then approval to fund the overspend must be sought from the Assistant Chief Fire Officer (Finance & Resources).
- 4.3.3 Where the overspend is estimated to be less than 10% and less than £50k, the Assistant Chief Fire Officer (Finance & Resources) and Head of Finance will consider the overspend in the context of the overall programme, and if the overspend is unavoidable will either vire budget from an existing scheme or fund the overspend by contribution from the revenue budget, or from balances.
- 4.3.4 Income which is the result of disposing of an asset and which is greater than £10k will be considered to be a capital receipt. All other income will be treated as revenue. Section 8.7 deals with the procedure for disposing of assets.
- 4.3.5 Where a capital scheme or part of a capital scheme is subject to work which is tendered, and the tender comes in at more than 10% or £50k, whichever is the lower, below the tender estimate, then the budget will be adjusted to reflect the actual tender figure rather than the estimate.

## **4.4 Budget Virements**

- 4.4.1 Virement is the term used to reflect a transfer of budget from one expenditure heading to another. This may occur due to changes in activity affecting budgetary requirements or to address an in year budget deficit or surplus.
- 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 between budget headings shall be actioned in line with the Service's Scheme of Financial Delegation.
- 4.4.4 The budget virements will be reported to the Authority, as part of the budget monitoring process.

4.4.5 All virement proposals should be subject to control and should not:

- utilise capital budget for revenue purposes;
- add to the Authority's net commitments in the current or future years; or
- relate to projects financed by grants or outside bodies without obtaining the consent of the Section 151 Officer.

4.4.6 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 In line with legislative requirements, the Section 151 Officer shall make arrangements for the timely and accurate production of the Authority's Statement of Accounts (the Accounts). The Accounts must be prepared in accordance with the proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom supported by International Financial Reporting Standards (IFRS).

4.5.2 The Section 151 Officer must sign and date the Accounts, confirming that they fairly present the financial position and performance of the Authority at the accounting date and its income and expenditure for the year ended 31st March.

4.5.3 The Section 151 Officer should make proper arrangements for the external audit of the Accounts, including the provision of all relevant representations as necessary to confirm the completeness and accuracy of the information contained within the Accounts.

4.5.4 The Section 151 Officer shall prepare a report for the Authority confirming the financial position and performance of the Authority and the outcome of the external audit. A copy of the external auditor's certificate and any report referred to in the certificate shall be submitted at this time.

4.5.5 The Authority is responsible for receiving and approving the Accounts although this function may be delegated to the Executive Panel where appropriate.

4.5.6 A copy of the audited accounts for each relevant financial year shall be made available 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 Financial Reserves 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 accounts closedown 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 formal contract made by the Authority whether for goods, works or services, must comply with the Authority's) [Contract Procedure Rules \(CPRs\)](#) and conform to any standard form of contract prescribed by the Authority. These notes are supplementary to the approved CPRs and should not be read as amending them in any way.
- 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.
- 5.1.3 The Head of Finance maintains the contracts register.
- 5.1.4 Signed copies of all contracts should be provided to the Head of Finance, for inclusion in the contracts register.
- 5.1.5 Every variation on a contract shall be authorised by the Chief Fire Officer or other responsible officer, as permitted by the Scheme of Financial Delegation.



- 5.1.6 The Section 151 Officer shall make proper arrangements for the timely and accurate processing of payment certificates and final accounts including appropriate checks to ensure compliance with the terms of the contract. Such arrangements extend to third parties (e.g. architect, engineer *et al*) who are engaged to supervise such contracts.
- 5.1.7 These rules may be subject to variation as government rules change and need to be read in conjunction with the procurement guidelines set out in Contract Procedure Rules.

## **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 with the exception of:
- (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 cases of urgency a verbal order may be given, by an employee authorised to approve official purchase orders. Verbal orders should be kept to a minimum and should be confirmed either the same, or next, working day by written orders which should be marked accordingly.
- 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 Head of Finance, so that access can be removed to prevent the employee from approving orders for the department's budget.
- 5.2.8 When approving an order, employees should ensure that the goods or services are necessary to achieve the objectives of the Authority, that the relevant statutes, Contract Procedure Rules and Financial Regulations have been complied with and that there is a provision for the cost within the budget (or it is covered by a special financial provision).
- 5.2.9 Any alteration to an official order shall be approved by an officer who is authorised to certify such an order.
- 5.2.10 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 account is arithmetically correct;
  - (iii) that the appropriate deductions have been made for discounts;
  - (iv) that no part of the account has been included in any other account or certificate previously authorised for payment;
  - (v) that the expenditure has been properly coded within the Authority's financial ledger;
  - (vi) that the expenditure is within the estimates or is covered by special financial provision and is in accordance with these Financial Regulations;
  - (vii) 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.

5.2.11 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 Subject to the provisions contained within this section, the approval of the revenue and capital budgets shall confer authority to the Chief Fire Officer to incur relevant expenditure or make such charges as necessary to achieve the Authority's objectives. Actual expenditure must not exceed the amount approved in the period covered by the budget without prior approval of the Authority.

5.3.2 All expenditure must be necessary to achieve the Authority's stated objectives, be incurred in accordance with relevant statutory provisions and comply with the Authority's Contract Procedure Rules and these Financial Regulations.

5.3.3 The Section 151 Officer shall make proper arrangements to delegate the day to day responsibilities for expenditure to nominated officers but must retain sufficient oversight and control.

5.3.4 The workflow for approving payment will be in accordance with systems approved by the Assistant Chief Fire Officer (Finance & Resources) and Head of Finance.

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

5.3.6 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

- 5.3.7 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.
- 5.3.8 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.
- 5.3.9 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.
- 5.3.10 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, with the exception of imprest payments, shall be made using the designated financial system and payment will be via electronic transfer, direct into the supplier's bank account.
- 5.4.3 All payments should be supported by a valid invoice quoting an official order number.
- 5.4.4 The payment of any invoice will not be made unless goods/services have been receipted on the financial system and where applicable the delivery/advice note uploaded.
- 5.4.5 Where possible, the Authority will benefit from discounts for the payment of invoices within specified timescales.
- 5.4.6 Invoices shall not be made out by/to officers of the Authority, except in circumstances approved by the Section 151 Officer.
- 5.4.7 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.

- 5.4.8 Any special authority needed has to be obtained prior to any goods or services being ordered and the invoice marked off against Minutes or other authorisation.
- 5.4.9 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 possible identify the invoice as being payable to a sub-contractor.
- 5.4.10 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.
- 5.4.11 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.

## **5.5 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 A register of card holders is maintained by the Head of Finance.
- 5.5.4 The day to day management of the credit cards is managed by the Head of Finance.
- 5.5.5 Card holders are required to follow the Purchase Card procedure, which covers the management, control and use of purchase cards.

## 5.6 Imprest Accounts

- 5.6.1 The Section 151 Officer is responsible for ensuring that arrangements are in place in relation to imprest accounts. The Section 151 Officer may permit imprest advances (petty cash) for the payment of minor items of expenditure.
- 5.6.2 Imprest accounts are Authority funds and must only be used for official business.
- 5.6.3 Imprest accounts will be for minor items of expenditure only, and no salaries, wages, allowances or mileage expenses may be paid out of imprest accounts.
- 5.6.4 Imprest accounts may only be opened after the approval of the Head of Finance.
- 5.6.5 Each imprest account will have a nominated holder.
- 5.6.6 Claims for reimbursement of imprest accounts must be completed in accordance with guidelines and in a form approved by the Head of Finance.
- 5.6.7 Reimbursement will be made to imprest holders as often as may be necessary to restore the imprests.
- 5.6.8 Imprest holders will be expected to submit vouchers in support of requests for reimbursement
- 5.6.9 An employee to whom an imprest advance is made must:
- (i) obtain and retain vouchers to substantiate each payment from the imprest. Particular care should be taken to obtain a VAT invoice when this tax is charged;
  - (ii) ensure the safe custody of imprest cash by keeping it securely locked away;
  - (iii) restrict the amount of each separate payment to such limit as may be prescribed from time to time by the Section 151 Officer;
  - (iv) have due regard, where appropriate, to the part of these Regulations dealing with **Budgetary Control**;
  - (v) produce, upon demand, to the Section 151 Officer, Head of Finance or Internal Audit cash and/or vouchers to the total of the imprest;

- (vi) reconcile and balance the imprest at least monthly. Periodic checks should be made by a senior officer to ensure that this is being properly carried out.
- 5.6.10 No receipts are to be credited to any imprest other than reimbursements received, following the submission of vouchers.
- 5.6.11 Under no circumstances should personal cheques be cashed or money borrowed from imprest accounts.
- 5.6.12 The Head of Finance may, at any time, require the imprest holder to return the imprest together with relevant vouchers or to provide a certificate for the imprest held.

## **6 Income**

### **6.1 Collection of Income**

- 6.1.1 All books and forms of account and all official forms or books, licences, tickets and all documents or vouchers or tokens representing receipts or money or money's worth shall be in a form approved by the Section 151 Officer.
- 6.1.2 The arrangements for ordering and control of such receipts, forms, books and other documents shall be subject to the approval of the Section 151 Officer. All receipts and issues of such documents shall be properly recorded and acknowledged in a manner approved by the Section 151 Officer. No receipts shall be given except on an authorised form.
- 6.1.3 The Section 151 Officer shall make proper arrangements to delegate the day to day responsibilities for income to nominated officers but must retain sufficient oversight and control.
- 6.1.4 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.
- 6.1.5 All moneys received on behalf of the Authority shall be properly safeguarded (normally kept in a safe or locked receptacle). Income shall be paid in at such intervals as the Section 151 Officer, in consultation with the Chief Fire Officer, may approve. Banking must always be intact, i.e. to include all moneys received during the agreed period.
- 6.1.6 All monies collected shall be in accordance with current rents, fees and charges approved by the Authority or fixed by statute or contract and the Section 151 Officer shall be notified promptly of any amendment of

a sum previously notified as due.

- 6.1.7 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.
- 6.1.8 All payments into the bank must be made at the Authority's bankers or nominated agents unless otherwise approved by the Section 151 Officer.
- 6.1.9 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 the number of the receipt given or the name of the debtor) which will connect the cheques with the debts discharged by payment.
- 6.1.10 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.
- 6.1.11 Where applicable, all invoices for income due to the Authority shall be prepared immediately they are due in a manner approved by the Section 151 Officer, and the detail shall be supplied to the Section 151 Officer in a manner prescribed by him/her for collection purposes.
- 6.1.12 Instructions for the cancellation or reduction of invoices for income must be authorised by the Chief Fire Officer or such member of his/her staff specifically designated by him/her for that purpose, as agreed with the Section 151 Officer. No employee shall sign in any name other than his/her own.
- 6.1.13 All cash surpluses shall be paid in and reported to the appropriate senior officer.
- 6.1.14 Every transfer of official money, from one employee to another, shall be evidenced in the records of the Authority by the signature of the receiving employee and retained for a period similar to that of other cash records.



6.1.15 Proper arrangements should be made for the receipt, opening and discharge of post containing remittance at the offices of the Authority. All remittance received via the post must be entered into a receipt book. A discharge should be given when the remittances are handed over to the Finance Department for receipting and banking.

## **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.

7.1.2 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.

7.1.3 All bank accounts will include "North Wales Fire and Rescue Authority" in the title.

- 7.1.4 No arrangement of any kind with any banking service will be made without the approval of the Assistant Chief Fire Officer (Finance & Resources).
- 7.1.5 All payments or transfers from any Authority bank account will be approved by an appropriate officer in accordance with the Financial Scheme of Delegation.
- 7.1.6 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.
- 7.1.7 Bank accounts shall be deemed to include payment orders, standing orders and direct debits.
- 7.1.8 Personal cheques of Members or employees of the Authority are not to be cashed.

## **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 in order 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 the arrangements relating to the control and accurate payment of salaries, compensation and emoluments to employees of the Authority or their legal personal representatives.
- 8.3.2 In order to ensure correct treatment for tax and national insurance purposes all payments to employees, including casual employees, must be made via the payroll system. All necessary personal records concerning pay, National Insurance, Income Tax and any associated matters must be maintained in accordance with arrangements to be prescribed by the Section 151 Officer.
- 8.3.3 It is the responsibility of all managers to provide accurate and appropriate information and instructions to the Payroll Department, to enable the calculation and prompt payment of salaries, expenses and pensions, including details of appointments, promotions, resignations, dismissals, retirements and absences from duty.
- 8.3.4 Where appropriate, the relevant manager shall be responsible for the correct completion of time-sheets and claims for employees under his/her control and for the certification thereof by him/her or his/her authorised employees in accordance with the timescales set out by the Section 151 Officer.
- 8.3.5 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.
- 8.3.6 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.
- 8.3.7 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.

- 8.3.8 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).
- 8.3.9 The Section 151 Officer will make arrangements to ensure that all deductions from salary including tax, national insurance and pension contributions are paid in accordance with prescribed timescales and subject to control and approval.
- 8.3.10 The Chief Fire Officer will provide the Section 151 Officer with whatever information is necessary for him/her to discharge these duties.
- 8.3.11 All payroll records relating to Income Tax and National Insurance must be retained for six years to satisfy the requirements of the Taxes Management Act. Those records identifying pay received and superannuation contributions must be retained for ten years as they may be needed for the information requirements of the Pensions Authority.

## **8.4 Travelling and Subsistence**

### **8.4.1 Members**

- (i) 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**

- (ii) All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted, duly certified, in the appropriate form, approved by the relevant line manager, when required and in accordance with the approved procedures and time-scales.
- (iii) The certifying employee must ensure that the journeys were authorised, the expense properly and necessarily incurred, that the allowance/reimbursement is reasonable and is properly payable by the Authority, and must sign to this effect.

- (iv) The claimant must sign to confirm the journeys were carried out on official business, that the mileages are correct and that any expenses were properly incurred.
  - (v) Claims from employees must be paid through the payroll system wherever possible to ensure correct treatment for Tax and National Insurance purposes.
- 8.4.3 The Section 151 Officer shall maintain a scheme of delegation of officers authorised to certify claims on his/her behalf. Certification of a claim shall signify that the Chief Fire Officer is satisfied that the allowances or expenses are properly payable by the Authority in respect of duties performed by the claimant.

## 9 Resources

### 9.1 Security

- 9.1.1 The Chief Fire Officer shall be responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, or other property under his/her control. He/she shall consult the Section 151 Officer in any case where security is thought to be defective, where it is considered that special security arrangements may be needed or where 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 Passes and keys to safes and similar receptacles are to be kept in a secure location; the loss of any such keys must be reported to the Chief Fire Officer and the Section 151 Officer immediately.
- 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 It is the duty of the Chief Fire Officer in conjunction with the Section 151 Officer and Assistant Chief Fire Officer (Finance and Resources) to review the assets and risks to determine the insurance cover required.
- 9.2.2 The Chief Fire Officer shall consult with the Section 151 Officer and the Clerk to the Fire Authority in respect of the terms of any indemnity which the Authority is requested to give.
- 9.2.3 The Chief Fire Officer will inform the Section 151 Officer promptly of any additions or reductions of cover required arising from changes in use of assets or services provided.
- 9.2.4 The Assistant Chief Fire Officer (Finance and Resources) is responsible for arranging insurance cover on behalf of the Authority, excluding any insurance under contracts which is the responsibility of the contractor. No new insurance may be taken out without prior consultation with the Assistant Chief Fire Officer (Finance and Resources).
- 9.2.5 Any insurance excesses will be agreed by the Assistant Chief Fire Officer (Finance and Resources).
- 9.2.6 A register of insurance policies will be retained by the Section 151 Officer who will make proper arrangements for the payment of premiums by the due date.
- 9.2.7 The Section 151 Officer is responsible for making proper arrangements for the management of claims and losses arising.
- 9.2.8 The Assistant Chief Fire Officer (Finance and Resources) will ensure procedures are in place for authorising the settlement or repudiation of insurance claims and associated costs. Advice will be sought as required from the Authority's insurers and advisors.
- 9.2.9 A provision will be made for losses that might result from unidentified risks or losses or known liabilities.
- 9.2.10 The Assistant Chief Fire Officer (Finance and Resources) should be informed of any insurance claims received, any events which may result in an insurance claim against the Authority and any new risks which might require to be insured (for example changes in legislation, new ways of working etc).
- 9.2.11 Officers must ensure that any documents requested to defend claims are provided within the timescales stated.

## **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 utilise financial information on local systems must be in accordance with the appropriate requirement for Financial Services.
- 9.3.2 It is the responsibility of the Chief Fire Officer with the relevant manager to implement computer security measures in line with the statutory requirements of current legislation. This includes security and privacy of information held and processed on the finance systems. Authority financial information held on such systems shall only be released to appropriate employees of the Authority, and to those employees authorised by the Section 151 Officer.

## **9.4 Stocks and Stores**

- 9.4.1 The Chief Fire Officer shall be responsible for arrangements ensuring the care and custody of stock and equipment, including the appropriateness of stock levels.
- 9.4.2 The Section 151 Officer or his/her authorised representative is entitled at any time to enter any operational or administrative establishment of the Authority, upon production of evidence of identity, to check stock records.
- 9.4.3 Records are to be maintained in a form approved by the Section 151 Officer, of items held in store pending use, showing receipts, issues and balances in hand. This will include the maintenance of proper financial records, following the issue of guidance on valuation and stock levels.
- 9.4.4 The Section 151 Officer shall ensure that all stock is counted or measured in intervals not exceeding 12 months. A certified record should be provided to the Head of Finance showing the existence and value of stock held.
- 9.4.5 Adjustments for deficiencies or surpluses on stocks or disposal of surplus, obsolete or damaged stock shall be made in line with the service's Scheme of Financial Delegation.
- 9.4.6 The method of disposal shall be agreed by the Section 151 Officer.
- 9.4.7 In line with the Scheme of Financial Delegation, any stock that is written off should be reported to the Head of Finance, who is responsible for the reporting and monitoring of write offs. Where applicable, associated departmental inventories should be amended to reflect the disposal



and a copy of the inventory provided with the notification.

9.4.8 If stock, during the financial year, has a value in excess of £1,000, approval by a Principal Officer is required.

## **9.5 Inventories**

- 9.5.1 The Chief Fire Officer shall make arrangements for the maintenance of inventories of property such as computers, equipment and other moveable items which are not subject to the stocks and stores accounting procedure prescribed above.
- 9.5.2 Periodical checks of equipment against the inventories should be undertaken. The maintenance of such inventories is particularly important in connection with potential insurance claims.
- 9.5.3 Attractive, desirable and portable items, e.g. laptops etc shall be clearly marked as being the property of the Authority, in accordance with the guidance issued from time to time by Internal Audit.
- 9.5.4 In line with the requirement for the Authority to maintain an asset register, and in order to comply with capital accounting requirements, inventories should include for each item information relating to date of purchase, cost, location, description and any technical features that might affect its value or usefulness.
- 9.5.5 The Section 151 Officer or his/her authorised representative is entitled at any time to enter any operational or administrative establishment of the Authority, upon production of evidence of identity, to check other equipment and the relevant inventories, and to call for such information and explanation as he/she deems necessary for costing, accounting or security purposes.
- 9.5.6 In line with the Scheme of Financial Delegation, any items that are written off should be reported to the Head of Finance, who is responsible for the reporting and monitoring of write offs. Where applicable, associated departmental inventories should be amended to reflect the disposal and a copy of the inventory provided with the notification.
- 9.5.7 If equipment, during the financial year, has a value in excess of £1,000, approval by a Principal Officer is required.

## **9.6 Private Use of Facilities**

- 9.6.1 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.

- 9.6.2 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.

## **9.7 Asset Acquisitions and Disposals**

- 9.7.1 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.
- 9.7.2 The Clerk to the Authority shall be responsible for making arrangements for the safe registration of land or property owned by the Authority.
- 9.7.3 The Assistant Chief Fire Officer (Finance and Resources) should be informed of any acquisitions, to ensure these items are properly accounted for.
- 9.7.4 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.
- 9.7.5 Sales of land and/or buildings and the surrender of a lease with a term of five years or more will require Authority approval.
- 9.7.6 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.
- 9.7.7 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.

## **9.8 Asset Leasing**

- 9.8.1 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.
- 9.8.2 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.
- 9.8.3 Proposals to enter into or surrender a lease with a term of 5 years or more will require Authority approval.
- 9.8.4 All leases should be subject to proper approval in accordance with the Scheme of Financial Delegation.
- 9.8.5 A register of all lease arrangements is maintained by the Head of Finance.
- 9.8.6 Leases must be properly accounted for within the Statement of Accounts and in accordance with the relevant guidance.

## **10 Treasury Management**

### **10.1 Capital Strategy**

- 10.1.1 The Authority has adopted 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, is responsible for the development of an annual Capital Strategy.
- 10.1.2 The Capital Strategy has been drafted in response to the latest requirements of the Prudential Code. The core requirement of the Strategy is to provide a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, and how risk and sustainability are managed by integral procedures embedded in the Authority's working practices.
- 10.1.3 The Capital Strategy is approved by the Fire Authority on an annual basis.

## **10.2 Treasury Management Strategy & Plan**

- 10.2.1 The Section 151 Officer is responsible for the Treasury Management Strategy and Plan. This sets out the Authority's approach to borrowing and management of surplus cash including the management of associated risks.
- 10.2.2 On an annual basis the Treasury Management Strategy must be approved by the Authority prior to the commencement of the year to which it relates.
- 10.2.3 The Section 151 Officer is also responsible for making arrangements for the monitoring of compliance with the approved Treasury Management Strategy and Plan during the financial year and year-end reporting to the Authority.

## **10.3 Borrowings and Investments**

- 10.3.1 Approval of the Capital Programme and associated Treasury Strategy by the Authority shall constitute authority to borrow in respect of projects to be financed from loans.
- 10.3.2 The Section 151 Officer shall be responsible for the sound investment of all funds and temporary surpluses and for all borrowing on behalf of the Authority required for efficient day to day cash management in accordance with the Authority's Treasury Management Strategy.
- 10.3.3 The Section 151 Officer is responsible for ensuring that regular monitoring is undertaken in year against the key measures of affordability and sustainability, by reviewing estimates of financing costs to revenue and the capital financing requirement. All potential breaches of the prudential indicators must be brought to the attention of the Section 151 Officer who will advise on action required.
- 10.3.4 Full and accurate records of all investments and borrowing shall be maintained and the Section 151 Officer shall ensure safe custody of all securities, bonds, certificates and other 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 and Corruption Strategy**

- 12.1.1 The public expect conduct of the highest standard from employees of the Authority. Public confidence in the integrity of such employees will be shaken by any suspicion, however ill-founded, of influence being exerted on Authority expenditure by improper motives
- 12.1.2 The Authority's policy for the prevention of financial irregularities is detailed in the Anti-Fraud and Corruption Strategy.
- 12.1.3 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.
- 12.1.4 The Section 151 Officer is responsible for ensuring adequate arrangements for delivering the Anti-Fraud and Corruption Strategy and ensuring adequate ongoing training and awareness of all employees regarding fraud and corruption measures.
- 12.1.5 The Authority has in place a Whistleblowing Policy which applies to all employees. This policy provides a procedure for making confidential disclosures about suspected wrongdoing, irregularity or a failure of standards, within the Authority.
- 12.1.6 If an officer has suspicion that there has been any fraud or irregularity of any sort, including bribery, within the Authority, he/she must inform his/her line manager immediately. If the line manager is lower than a Head of Department, then the Head of Department must be informed immediately, along with the Chief Fire Officer and the Section 151 Officer.

### **12.2 Donations, Grants to Other Bodies and Contributions**

- 12.2.1 Any donation, grant to another body or contributions must be approved by the Chief Fire Officer in consultation with the Monitoring Officer or Section 151 Officer.
- 12.2.2 If the donation, grant to another body or contribution exceeds £20,000 it must be approved by the Authority.

### **12.3 Register of Members' Interests**

12.3.1 The Monitoring Officer is responsible for ensuring that the procedures agreed by the Authority for the registration of members' interest comply with statutory requirements.

12.3.2 The declarations are published on the Authority's website.

## **12.4 Declarations of Interest**

12.4.1 The Section 151 Officer shall ensure that proper arrangements are in place for declarations of interest of senior officers or other employees with a fiduciary interest in a contract with the Authority.

12.4.2 An employee shall not act in an official capacity in connection with any matter in which he/she or a close relative has a personal interest.

12.4.3 The forms are maintained by the Head of Finance.

## **12.5 Gifts and Hospitality**

12.5.1 Receiving benefits, gifts, rewards or hospitality in return for providing services (even if these services are part of a usual role) can be perceived as an inducement to show favour to a person or organisation in his or her official capacity.

12.5.2 Members and Officers must exercise care when considering whether to accept an offer of a gift or hospitality and further guidance is provided within Part 5 of the Constitution.

12.5.3 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.

12.5.4 A register of Gifts and Hospitality is maintained by the Finance Department. All declarations must be submitted within 28 days via the email address: [declarations@nwales-fireservice.org.uk](mailto:declarations@nwales-fireservice.org.uk).

12.5.5 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 Employees responsible for the purchase of goods and supplies on behalf of the Authority should note that any promotional offers given by existing or future suppliers are the property of the Authority.
- 12.6.2 These promotional offers normally take the form of a free gift, a holiday offer, vouchers towards goods or some other incentive. All staff should conduct themselves with integrity, impartiality and honesty at all times and should maintain high standards of propriety and professionalism including being open and transparent.
- 12.6.3 As a general rule, promotional offers should not be accepted unless clearly and demonstrably trivial in nature. Further guidance should be sought from the Head of Finance.
- 12.6.4 The Head of Finance should be informed of all offers and these should be recorded in the Authority's register of gifts and hospitality, including those offered and declined.

## **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
<b>Strategic Activity</b>						
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					
<b>Revenue and Capital Budgeting</b>						
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					
<b>Delegation of and Management of Revenue and Capital Budgets</b>						

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					
<b>Statutory Accounts</b>						
Prepare the statutory accounts of the Authority (including certifying the draft accounts by the end of the May following the year end)			X		X	
Approve the statutory accounts by the end of September following the year end	X					
<b>Treasury Management</b>						
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					
<b>Financial Management and Control</b>						

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 properly 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 properly 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	
<b>Statutory functions</b>						
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 act 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:

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<b>Policy owner:</b> (role)	Assistant Chief Fire Officer (Finance and Resources)
<b>Author:</b> (Name)	Head of Finance
<b>Authoriser:</b> (role)	Fire and Rescue Authority
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