



Derbyshire Fire Authority

Financial Regulations, Procedures and Standing Orders

What the Fire Authority, Principal Officers, Strategic Officers, Strategic Leadership Team, Managers and Employees are responsible for.

December 2014

**Derbyshire Fire and Rescue Authority - Financial Regulations, Procedures and
Standing Orders**

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PURPOSE OF THE DOCUMENT

This document brings together the Authority's financial regulations, procedures and standing orders into one document. It is designed to clearly set out individual responsibilities in respect of the financial affairs of the Authority.

A. GENERAL

- A1.1 Financial Regulations, Procedures and Standing Orders provide the framework for managing the Fire Authority's financial affairs. They apply to every Member and employee of the Fire Authority and anyone acting on behalf of the Fire Authority. They are designed to safeguard the interests of both the Fire and Rescue Authority and its employees.
- A1.2 The objective of the Financial Regulations, Procedures and Standing Orders is to specify a number of rules and key control measures which ensure that public accountability and high standards of financial integrity are exercised in the use of public funds and to reduce risk.
- A1.3 The document also identifies the responsibilities of the Fire and Rescue Authority Members, Chief Fire Officer / Chief Executive, Director of Finance / Treasurer, Solicitor / Monitoring Officer, Principal Officers, Managers and other employees of the Authority.
- A1.4 All employees have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for economy in the use of resources. They must also ensure that the use of all Authority resources is legal, properly authorised and provides value for money. They should also mitigate any unnecessary expenditure within their own remit where possible.
- A1.5 All decisions with financial implications must have regard to proper financial control. Any doubt as to the appropriateness of a financial proposal or correctness of a financial action must be clarified in advance of the decision or action with the Director of Finance / Treasurer.

Responsibilities of the Director of Finance / Treasurer

- A1.6 The Director of Finance / Treasurer is the responsible officer for the proper administration of the financial affairs of the Fire Authority under Section 112 of the Local Government Act 1972. Taken together with the Accounts and Audit Regulations, this means that all accounting procedures, systems and records of the Fire Authority and its Officers should be determined by the Director of Finance / Treasurer and should take account of proper professional practices. This statutory responsibility for the administration of the Fire Authority's financial affairs

cannot be overridden by anything in a Scheme of Delegation.

- A1.7 The Director of Finance / Treasurer is responsible for maintaining a continuous review of the Financial Regulations, Procedures and Standing Orders and advising the Authority of any additions or necessary changes. The Director of Finance / Treasurer is also responsible for reporting, where appropriate, any breaches of the Financial Regulations, Procedures and Standing Orders to the Fire and Rescue Authority.
- A1.8 To periodically review and recommend changes to the Financial Regulations, Procedures and Standing Orders to ensure that they remain relevant and up to date. Any changes will require approval by Fire Authority.
- A1.9 To issue instructions and guidance notes, where necessary, to amplify Financial Regulations, Procedures and Standing Orders.
- A1.10 To provide training and guidance to assist Members and employees discharge their duty to ensure that responsibilities under Financial Regulations, Procedures and Standing Orders are understood.

Responsibilities of Managers

A1.11 To make sure that:

- existing and new employees are informed of their responsibilities under Financial Regulations, Procedures and Standing Orders and other regulatory documents and are familiar with these documents and procedures followed, including contract and award procedures.
- relevant records are maintained and retained.

A1.12 To make sure that all reports including those seeking approval under delegated powers record their financial implications, and that these are agreed in advance by the Director of Finance / Treasurer. In particular, any report containing new proposals includes an independent financial assessment by the Director of Finance / Treasurer.

A1.13 To consult the Director of Finance / Treasurer on any matter that may materially affect the finances of the Authority.

A1.14 To be responsible for securing value for money in relation to their activities and for achieving financial performance targets in accordance with Best Value principles.

B. FINANCIAL MANAGEMENT AND CONTROL

B1. Financial Management Standards

Why is this important?

B1.1 All staff and Members have a duty to observe the highest standards of probity in dealing with financial issues. This is achieved by ensuring working standards are clear, and that controls are in place to ensure that those standards are met.

General

B1.2 The key controls for financial management standards are that:

- they are set in line with those approved and issued by the appropriate professional bodies, including the Accounting Standards Board (ASB) and the Chartered Institute of Public Finance & Accountancy (CIPFA).
- they are promoted throughout the Authority.
- a monitoring system is in place to review Members' and staff compliance with them.
- All staff with budgetary responsibility receives appropriate training.

Responsibilities of Fire and Rescue Authority

B1.3 The role of the Fire and Rescue Authority is to ensure that the services provided by Derbyshire Fire and Rescue Service are delivered economically, efficiently and effectively to meet the needs of the community. In discharging its overall responsibilities, the Authority ensures proper arrangements are in place for the governance of its affairs, facilitating the effective exercise of its functions and management of corporate risk.

B1.4 The Fire and Rescue Authority is responsible for making decisions relating to key changes in service delivery and corporate resources. It considers the impact of drivers on the service and resources given, the statutory duties imposed and have regard to the financial implications of any approvals and recommendations.

Responsibilities of Governance and Performance Working Group

B1.5 The Governance and Performance Working Group has the following duties which shall be reported to the Authority as appropriate.

Audit Duties

To provide independent assurance of the adequacy of the governance and risk management framework, the associated control environment and the independent scrutiny of the Authority's financial performance to the extent that it affects the Authority's exposure to risk and weakens control.

Budget Development

To understand the financial position and pressures of the Fire Authority and provide assurance that budget timetables, budget proposals and development bids are being scrutinised and adhered to.

Chief Fire Officer / Chief Executive

B1.6 The Chief Fire Officer / Chief Executive is responsible for the strategic leadership of the Authority as a whole. They must report to and provide information for the Fire and Rescue Authority. They are responsible for establishing a framework for leadership direction, style and standards and for monitoring the performance of the organisation. They must act in accordance with the Financial Regulations, Procedures and Standing Orders and the Scheme of Delegation.

Solicitor / Monitoring Officer

B1.7 The Solicitor / Monitoring Officer is responsible for promoting and maintaining high standards of conduct and provides advice to the Fire and Rescue Authority. The Solicitor / Monitoring Officer is also responsible, in accordance with Section 5 of the Local Government and Housing Act 1989, for reporting any breaches of the law or maladministration to the Fire and Rescue Authority.

Director of Finance/Treasurer

B1.8 The Director of Finance / Treasurer shall be the responsible officer for the proper administration of the financial affairs of the Authority and all accounting procedures, systems and records of the Authority within the meaning of Section 112 of the Local Government Act 1972.

B1.9 Under the Local Government Act 2003 The Director of Finance / Treasurer shall report on the adequacy of the reserves held by the Authority and the robustness of estimates when making its statutory calculations.

B1.10 The Director of Finance / Treasurer is also the responsible officer under Section 114 of the Local Government Finance Act 1988 for reporting if the Authority:-

- has made or is about to make a decision which involves or would involve the Authority incurring expenditure which is unlawful
- has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority, or
- is about to enter an item of account the entry of which is unlawful.

In addition, the Director of Finance / Treasurer is under a duty to report to the Authority if it appears that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

- B1.11 To set the financial management standards, and to monitor compliance with them.
- B1.12 Ensure proper professional practices are adhered to, and to act as Head of Profession in relation to the standards, performance and development of all finance staff throughout the Authority.
- B1.13 Advise on the key strategic controls necessary to secure sound financial management.
- B1.14 Ensure that financial information is available to staff to enable them to secure sound financial management of their functions and to enable them to report information accurately and timely.
- B1.15 No item having financial consequences shall be placed on an Authority agenda without obtaining the Director of Finance / Treasurer's financial assessment. Any report containing new proposals shall include an independent financial assessment by the Director of Finance / Treasurer.
- B1.16 The Statement of Accounts which is required to be audited under Section 154 of the Local Government Act 1972 shall be compiled by the Director of Finance / Treasurer.
- B1.17 Report to the Fire and Rescue Authority as soon as possible any change in the legislative responsibilities pertaining to the post of Director of Finance / Treasurer and any likely effect this change may have. All such changes are to be included in the Financial Regulations, Procedures and Standing Orders as soon as possible.

B2. Accounting Records and Returns

Why is this important?

B2.1 Maintaining proper accounting records is one of the ways in which the Authority discharges its responsibility for the stewardship of public resources. These records enable the Authority to satisfy its statutory responsibility to prepare and publish by the required date its annual statement of accounts. The statement must present fairly details of both its operations during the year and its position at the year end.

General

B2.2 The key controls for the maintenance of accounting records and returns are to ensure that procedures are in place to:

- monitor that all Fire Authority Members and employees operate within the required accounting standards of the Authority.
- record completely, accurately and promptly all the Authority's transactions, material commitments and contracts and other essential accounting information.
- perform on a timely basis balancing and reconciliation procedures to ensure that transactions are recorded completely and accurately.
- reconstitute accounting records in the event of loss or failure of the underlying computer or other systems.

Responsibilities of the Director of Finance / Treasurer

B2.3 To determine the accounting procedures and format of the financial records for the Authority and to ensure that these are followed and maintained in departments.

B2.4 To ensure that all accounting records comply with statutory requirements and codes of practice, and setting standards in liaison with the Authority's external auditors for effective procedures concerning the closure of the final accounts.

B2.5 To ensure that adequate procedures are in place, and these are tested on a regular basis, to reconstitute accounting records in the event of failure of the computer system and to prepare a business continuity plan for financial systems accounting in the event of total system failure or unavailability.

B2.6 To compile all grant claims and external financial returns based on the accounts in a complete, accurate and timely manner.

B2.7 To make proper arrangements for the audit of the Authority's accounts in accordance with the Accounts and Audit Regulations or other statutory requirements.

B2.8 To determine, and communicate, the policy for the proper retention of financial and related documents, and to ensure that it is followed.

B2.9 To certify all financial returns, grant funding applications and claims and other periodic financial reports required of the Authority.

B2.10 To provide guidance and advice on all accounting matters.

B2.11 To monitor accounting performance to ensure an adequate standard for all services.

Responsibilities of Managers

B2.12 To ensure that information in respect of their department is supplied to the Director of Finance / Treasurer in accordance with policies, guidance or timetables issued to enable the Director of Finance / Treasurer to complete the Authority's Statement of Accounts, any grant claim or other external financial return.

B2.13 To provide, or to ensure that staff provide information or explanations to the Internal or External Auditor in a complete, accurate and timely manner to enable completion of the audit.

B2.14 To comply and to ensure that staff comply, with the policy for the retention of financial, electronic and related documents (see Appendix 3).

B3. The Annual Statement of Accounts

Why is this important?

B3.1 The Authority has a statutory duty to prepare its accounts to give a true and fair view of its operations during the year and its position at the year end.

B3.2 The annual accounts are subject to examination by external auditors. This arrangement provides assurance that the accounts are properly prepared in accordance with proper accounting practices and that satisfactory arrangements have been made for securing value for money in the use of the Authority's resources.

General

B3.3 The key controls for the preparation of the Statement of Accounts are that it:

- complies with all legal requirements
- complies with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom and the CIPFA Service Reporting Code of Practice.
- is undertaken by the Director of Finance / Treasurer as part of the duties for the proper administration of the Authority's financial affairs.
- suitable accounting policies are determined, communicated and their

consistent application monitored.

- all judgements made, and estimates of outstanding liabilities and income prepared, are consistent with the determined policy, are documented, and can be shown to be reasonable and prudent.
- statutory and other professional requirements are observed.
- all reasonable steps are taken for the prevention and detection of fraud and other irregularities.
- the draft statement is available for examination and report by the external auditors in accordance with a previously agreed timetable.

Responsibilities of the Director of Finance / Treasurer

- B3.4 To comply with all statutory and other requirements for the completion of the annual statement of accounts; this to include the signing and dating of the statement of accounts.
- B3.5 To approve the draft Statement of Accounts before 30 June and to prepare and publish the audited accounts of the Authority for each financial year by 30 September, in accordance with the statutory timetable.
- B3.6 To select suitable accounting policies and to ensure that they are applied consistently.

Responsibilities of Managers

- B3.7 To comply with the accounting guidance provided by the Director of Finance / Treasurer and to supply necessary information when required.

C. FINANCIAL PLANNING

C1. Revenue Budgets - Preparing Budgets

Why is this important?

C1.1 The budget is the financial expression of the Authority's plans and policies and it should demonstrate that the plans of the Authority are affordable. Budgets (spending plans), are needed so that the Authority can plan, authorise, monitor and control the way money is allocated and spent to achieve individual service performance targets which meet the Authority's approved desired outcomes or outputs.

Budget management ensures that resources allocated by the Fire and Rescue Authority are used for their intended purposes and that these resources are properly accounted for. Budgetary control is a continual process enabling the Authority to review and adjust its budget targets during the financial year. It also provides a mechanism to call to account managers responsible for defined elements of the budget.

C1.2 Medium term financial planning (or a 3 year planning system), is linked to the strategic planning cycle to support the effective delivery of the three year service plan. Medium term planning ensures the sustainability of budgets and most advantageous use of the Authority's available finance.

C1.3 Medium term financial planning encompasses the assessment of spending which is likely to emerge during the period and compares these with the resources likely to be available taking into account:

- Members' agreed political objectives and targets;
- Central Government plans and targets;
- services' current levels of outcomes and outputs;
- new service developments or commitments

C1.4 The Medium Term Financial Strategy therefore ensures that the Authority is always preparing for events in advance and as a result sets and monitors detailed annual revenue budgets tailored to meet service needs.

C1.5 The annual revenue budget shall be prepared jointly by the Chief Fire Officer / Chief Executive and the Director of Finance / Treasurer in accordance with the directions of the Authority and in line with the requirements of the Authority's plans and policies. The budget must be approved and precepts notified to billing authorities prior to 1st March.

C1.6 The revenue budget must be constructed so as to ensure that resource

allocation to services properly reflects the spending plans and priorities of the Authority.

- C1.7 The Authority must determine the level of general reserves before it can set the precepts requirement. Reserves are maintained as a matter of prudence to provide working balances, to meet unforeseen items of expenditure, and to meet specifically approved policy objectives of either a capital or revenue nature.

General

- C1.8 The key controls for medium term financial planning and annual budget preparation are to ensure that procedures are in place to ensure that:
- Members agree their desired outcomes and/or outputs for the period and prioritise these in the light of projected resources;
 - Members determine the allocation of resources to services;
 - Members set the annual revenue budget;
 - Budget Managers accept, within the delegations set by the Authority, Chief Fire Officer / Chief Executive , accountability for their budgets and the level of service to be delivered;
 - a monitoring process is in place to review regularly the effectiveness and operation of the medium term financial planning and annual revenue budget setting process, so that any corrective action is taken.

Responsibilities of the Director of Finance / Treasurer

- C1.9 The Director of Finance / Treasurer is responsible for issuing guidance to Managers on service spend levels and the general content of the annual revenue budget as soon as possible following its approval by the Authority.

Responsibilities of Managers

- C1.10 To prepare estimates of income and expenditure, in consultation with the Corporate Financial Services.
- C1.11 To prepare budget proposals that are consistent with any relevant cash limits, with the Authority's annual budget cycle and with guidelines issued by the Director of Finance / Treasurer.
- C1.12 To ensure the estimated cost of any proposals submitted as part of the budget preparation process are as complete and accurate as possible and include provision for all running costs, salaries and wages and any other outgoings involved by or in connection with the proposal.

- C1.13 To consult with other Department Heads and the Director of Finance / Treasurer, where it appears that a budget proposal is likely to impact on the service activity or budget of another department.
- C1.14 To ensure that medium term financial plans reflect agreed business plans, service needs, and any proposals for change. Department Heads must also provide information where, in their opinion, the service plan does not meet statutory or central government requirements.
- C1.15 To ensure that allocations from earmarked reserves are used only for the purposes for which they were intended, and to comply with any other conditions of the allocations.

C2. Revenue Budgets - Managing and Controlling Budgets

Why is this important?

- C2.1 Budget management ensures that resources allocated by Members are used for their intended purposes and that these resources are properly accounted for, subject to changes in purpose under budget virement rules.
- C2.2 The Authority itself approves, and operates within, an annual budget to ensure that the Authority does not overspend in total. Each Budget Manager is required to manage their own expenditure within the budget allocated to them.
- C2.3 Regular reporting of income and expenditure against approved budgets keeps Budget Managers aware of, and highlights, situations where actions may be required to maintain spending within approved budget levels.
- C2.4 Budgetary control is a continual process enabling the Authority to review and adjust its budget targets during the financial year. It also provides the mechanism to call Budget Managers to account for their budget allocations.
- C2.5 The Authority considers on a regular basis variances against financial and performance targets and is therefore able to identify changes in trends and resource requirements at the earliest opportunity.
- C2.6 The scheme of virement at (see Section C4) is intended to enable the Authority, Managers and their staff to manage budgets with a degree of flexibility within the overall budget framework, and therefore to optimise the use of resources.

General

C2.7 The key controls for managing and controlling the revenue budget are that:

- all elements of budgeted expenditure and income are allocated to named budget holders,
- budget holders accept accountability for their budget allocations and the level of service to be delivered,
- budget holders adhere to the approved procedures for the ordering and certifying for payment the purchase of goods and services used in the provision of their service and for the collection of income,
- income and expenditure is completely, accurately and promptly recorded and accounted for,

Responsibilities of Director of Finance / Treasurer

C2.8 To establish an appropriate framework of budgetary management and control, based on the principles that:

- Budget Managers exercise budget management within their budget allocations,
- Budget Managers have available timely information on receipts and payments on each budget head of approved estimates,
- expenditure is committed only against an approved budget head including any budget heads amended as permitted under the Scheme of Virement (see Section C4),
- expenditure is within the law, in respect of Authority policy, and in accordance with Standing Orders in Relation to Contracts (see Section H) where necessary,
- all officers responsible for committing expenditure or collecting income comply with relevant guidance, including Financial Regulations, Procedures and Standing Orders,
- budget heads have a single named manager. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure or raises income.
- Managers are responsible for taking appropriate action to contain spending within their allocations.
- reserves and balances are used for purposes approved in budget plans

and any changes in those approved uses require the approval of the Authority,

- C2.9 To administer the Authority's Scheme of Virement that regulates the virement of resources between budget heads and between financial years (see Section C4).
- C2.10 To administer the Authority's arrangements for under and overspendings to be carried forward to the following financial year.
- C2.11 To submit reports to the Authority, in consultation with Managers, where a Manager is unable to balance expenditure and resources within existing approved budgets under their control and/or where approval is sought for a proposed virement which cannot be approved under delegated authority.
- C2.12 To prepare and submit reports on the Authority's overall projected expenditure/income position compared with the budget, and on the position of its reserves and balances.
- C2.13 To make sure that, where reserves and/or balances are used to support the budget, their use is consistent with the authorised purpose and level of use within budget plans, and is approved in line with the limits set out in Appendix 1.

Responsibilities of Managers

- C2.14 To ensure that levels of expenditure and performance are properly monitored and controlled throughout each financial year that any practicable and necessary steps are taken to avoid exceeding an approved budget and that value for money is achieved.
- C2.15 To maintain budgetary control within the department and to ensure that all income and expenditure is completed accurately and promptly recorded and accounted for.
- C2.16 To make sure that individual budget heads are not overspent, by monitoring the budget and, where it appears that areas of the budget are likely to be over or under spent, taking appropriate corrective action.
- C2.17 To report in the first instance to Strategic Leadership Team and if necessary to Fire Authority on proposals which in the view of the Director of Finance / Treasurer:
- will create net financial commitments in current or future years, additional to those within approved budgets, or
 - would potentially create additional net financial commitments in current or future years, if approved by a body outside of the Authority, such as a

project funded only in part by a bid for external funding, or

- will create recurrent net financial commitments in future years, in cases where the recurrent funding of those commitments cannot be relied upon, or
- initiate new policy or cease existing policies, or
- materially extend or reduce the Authority's services.

C2.18 To make sure of compliance with the Authority's Scheme of Virement (see Section C4).

C2.19 To ensure that where, in the view of the Director of Finance / Treasurer or any Manager, a budget proposal including any virement proposal, will impact materially on another department's budget, that proposal is either agreed to by the other relevant Manager or is the subject of a report to Fire Authority prior to its implementation.

C2.20 To prepare, in conjunction with the Director of Finance / Treasurer, requests to Fire Authority for approval for unspent budget provisions, receipts of donations, and fundraising activities, to be carried forward to the next financial year (by way or earmarked reserves). These should generally be restricted to specific items of a 'one off' nature where monies will be spent for the same purpose in the following financial year.

C3. Capital Budgeting

Why is this important?

C3.1 Capital expenditure involves acquiring or enhancing assets with a long-term value to the Authority, such as land, buildings, and major items of plant and equipment or vehicles. This also includes the provision of grants for capital expenditure to other bodies.

C3.2 Capital assets shape the way services are delivered for the long-term and create financial commitments for the future in the form of financing costs and revenue running costs. The Government places strict controls on the financing capacity of the Authority. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

C3.3 The Authority has a substantial capital programme covering a minimum of a 3 year period. The programme is based on a number of assumptions, including the level of resources that may be available in future years.

C3.4 The capital programme is revised during the year as new schemes are

approved and existing schemes are re-profiled to future years.

General

- C3.5 All capital schemes must be included in the capital programme approved by Fire Authority. The approved capital programme approves a funded level of spending for the current financial year only. Any project with expenditure spanning more than one year requires Fire Authority approval before commencement.
- C3.6 The approval by the Fire Authority of a programme of capital expenditure authorises Managers to:
- a. prepare such designs, detailed estimates and other professional reports necessary to allow schemes to commence, and to receive tenders or quotations as necessary in accordance with the Authority's Standing Orders In Relation To Contracts.
 - b. commence spending on individual schemes up to the amount approved in the Capital Programme subject to Managers being satisfied that appropriate business case has been made, legal, technical and professional matters have been dealt with, that Standing Orders In Relation To Contracts have been observed and that budgetary provision is in place.
- C3.7 Spending on schemes within the programme should not be exceeded unless separately approved in accordance with the limits in Appendix 1.
- C3.8 Additional schemes added to the capital programme during the course of the year require approval in accordance with Appendix 1. The Authority is informed for information purposes at the next meeting where officer approval has been sought.
- C3.9 Programme monitoring requires a strict regime of financial control. This should be in the form of regular meetings Budget Managers and regular reporting to Strategic Leadership Team and Fire Authority.

Capital Budget Preparation

Responsibilities of Director of Finance / Treasurer

- C3.10 To prepare capital estimates jointly with Budget Managers and the Chief Fire Officer / Chief Executive and to report to the Authority for approval. The report will make recommendations on the capital estimates and on any associated financing requirements to the Authority.
- C3.11 To make recommendations to the Authority with regards to prudent levels of

borrowing to support capital investment including both supported and unsupported borrowing.

- C3.12 To make sure that the basis on which the capital programme is financed is consistent with the approved revenue budget, the approved use of any revenue or capital reserves and the general capital strategy approved by Authority.
- C3.13 To provide guidance to Managers on the definition of capital spending having regard to government regulations and accounting requirements, the financial and operational information to be included in an appraisal.

Responsibilities of Managers

- C3.14 To make sure that all bids for capital funding, which if successful would create additional net financial commitments in current or future years, or borrowing commitments, are approved.
- C3.15 To undertake a business case for any capital investment proposal and to gain the appropriate approval for the scheme before commencement (see paragraphs 3.6 – 3.8).
- C3.16 Consistent with revenue budget management, each capital scheme should have one nominated Budget Manager with responsibility for monitoring and reporting progress on the relevant scheme

Capital Monitoring and Reporting

Responsibilities of Director of Finance / Treasurer

- C3.17 To prepare and submit reports detailing:
- the Authority's projected expenditure and resources compared with the approved estimates,
 - The progress of spending on approved schemes.
 - Virements of a material value and those which are to meet an overspending on an approved Capital programme scheme.
 - requirements of the Local Government Act 2003 and that the programme satisfies this in terms of satisfying medium term affordability and meeting other prudential indicators.
- C3.18 To provide guidance concerning capital schemes and controls. The definition of 'capital' will be determined by the Director of Finance / Treasurer, having regard to Government regulations and accounting requirements.

Responsibilities of Managers

- C3.19 To comply with guidance concerning capital schemes and controls issued by the Director of Finance / Treasurer.
- C3.20 To make sure that adequate contract records are maintained in respect of all capital contracts in liaison with Procurement.
- C3.21 To proceed with projects only when there is adequate provision in the approved capital programme.
- C3.22 To ensure that adequate records are maintained in respect of all spending on capital projects.
- C3.23 To prepare and submit reports, jointly with the Director of Finance / Treasurer, to Fire Authority of any variation in approved contract costs greater than the approved limits (see Appendix 1).
- C3.24 To prepare and submit reports, jointly with the Director of Finance / Treasurer, to the Fire Authority on completion of all contracts where the final expenditure exceeds the approved contract sum by more than the specified amount (see Appendix 1).
- C3.25 Make sure that they do not enter into credit arrangements, such as leasing agreements, without the prior approval of the Director of Finance / Treasurer and, if applicable, approval of the scheme through the capital programme.
- C3.26 To consult with the Director of Finance / Treasurer and to seek Fire Authority approval where the Manager proposes to bid for additional borrowing approvals to be issued by Government Departments to support expenditure which has not been included in the current year's capital programme.

C4. Virements

- C4.1 The Authority's Scheme of Virement and Carry Forward is administered by the Director of Finance / Treasurer within guidelines set by the Authority. Any variation from this scheme requires the approval of the Authority.
- C4.2 Normally, detailed budget heads are approved by the Authority and Managers are authorised to incur expenditure in accordance with those estimates. The rules below cover virement, i.e. switching resources between heads of expenditure and income, and carry forward, i.e. arrangements for the transfer of resources between accounting years.
- C4.3 Virements are intended to enable Managers and their accountable employees to manage budgets with a degree of flexibility within the overall budget and policy framework determined by the Authority, so as to make

optimum use of resources. Managers are expected to exercise their discretion in budget management responsibly and prudently. For example, they should aim to avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Managers must plan to fund such commitments from within their own budgets.

C4.4 Virements involving the following corporate budget groups may only apply after approval of the Authority on the recommendation of the Director of Finance / Treasurer:

- capital financing costs
- interest on borrowing
- ring fenced government grants

C4.5 Approval of virements must be adhere to approved limits (see Appendix 1).

D. CORPORATE GOVERNANCE, RISK MANAGEMENT, AND CONTROL OF RESOURCES

D1. Why is this important?

- D1.1 The Director of Finance / Treasurer has a statutory responsibility for the overall financial administration of the Authority's affairs and is responsible for maintaining an adequate and effective internal audit.
- D1.2 The Authority's accounts are also scrutinised by external auditors, who must be satisfied that expenditure and income are legal and that the accounts are prepared in accordance with proper accounting practices. The adequacy of arrangements made by the Authority to manage risks is also subject to scrutiny by external auditors.

D2. Risk Management

Why is this important?

- D2.1 Risk Management is the planned and systematic approach to the identification, evaluation and control of risk. The process is concerned with evaluating the adequacy of the measures in place to manage identified risks and to recommend appropriate action to improve further the identification of risk and to control or mitigate those risks effectively.
- D2.2 The effective management of the Authority's risks helps to achieve the organisation's objectives.
- D2.3 It is the responsibility of all employees, Members and partner organisations to give due regard to risk as part of their working practice.

Responsibilities of the Principal Officer– Corporate Services

- D2.4 To develop and promote clearly stated coherent corporate risk policies, strategies and standards including a clear definition of the types and levels of risk considered unacceptable.
- D2.5 To establish a Risk Management culture across the organisation with the objective of self-identification, assessment, prevention or containment of risks, throughout the Authority.
- D2.6 To clearly define and assign to key staff the responsibility for accepting and managing risk.
- D2.7 To ensure, and promote through Managers the development of Risk Management and supporting management procedures to minimise risk and

exposure to losses.

Responsibilities of Managers

- D2.8 To ensure that there are regular reviews of risk, and the potential for risk, within their service area, and that the outcome of those reviews, and the steps taken, are documented.
- D2.9 To report on such risks in their operational department that may affect the strategic objectives of the Authority.

D3. Insurance

Why is this important?

- D3.1 The Authority effects insurance for specific risks, where it is economic to do so, in order to protect its tax payers against the impact on local charges, should a catastrophe occur.
- D3.2 Insurance has been the traditional means of protecting against loss but, by reducing, or even preventing, the incidence of losses (whether they result from accident or crime) the Authority can benefit both from the reduced costs of providing insurance cover and from the continuity of service provision.

Responsibilities of the Chief Fire Officer / Chief Executive

- D3.3 The Chief Fire Officer / Chief Executive shall consult the Director of Finance / Treasurer and the Solicitor / Monitoring Officer on the terms of any indemnity that the Authority is requested to give.
- D3.4 Claims against the Authority by its employees where there is no legal liability, may be settled by the Chief Fire Officer / Chief Executive up to the approved limit (see Appendix 1) in any case, in respect of damage to or loss of personal property occurring in the course of their duties. Provided that there is no contributory negligence, the settlement to be on the following basis
- For repairs to clothing or other property – full cost.
 - For replacement of clothing or other property (where repair was impracticable) – three quarters of the reasonable replacement cost.
- D3.5 Claims against the Authority by its employees where there is no legal liability, may be settled by the Chief Fire Officer / Chief Executive up to the approved limit (see Appendix 1) in respect of any excess on any insurance claim and in respect of damage caused to personal property arising from the attendance of the Service at an operational incident.

D3.6 The Chief Fire Officer / Chief Executive shall notify the Director of Finance / Treasurer immediately of any loss, liability or damage which may lead to a claim against the Authority, together with any information or explanation required by the Director of Finance / Treasurer or the Authority's insurer.

Responsibilities of the Director of Finance / Treasurer

D3.7 To affect a long-term strategy to meet the Authority's insurance requirements.

D3.8 To affect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with relevant managers, where necessary.

D3.9 To include all appropriate employees of the Authority in a suitable fidelity guarantee insurance.

D3.10 To ensure that insurance provisions are adequate to meet anticipated claims.

D3.11 To continually monitor requirements and ensure that insurance covers are appropriate and cost effective.

D3.12 To maintain records of the current value of replacement cost of buildings and contents in their respective departments.

Responsibilities of Area Manager – Corporate Services

D3.13 To advise the Director of Finance / Treasurer of current value of replacement cost of buildings..

D3.14 To ensure that, before entering into any contract or agreement evidence of the contractor's, or other parties, public liability insurance cover is provided, in accordance with the minimum limits of indemnity determined by the Authority.

Responsibilities of Managers

D3.15 To take appropriate measures to minimise the risk of injury to individuals and loss, damage or theft of any insured property.

D3.16 To provide information to the Director of Finance / Treasurer as required to complete any tendering exercise for insurance cover.

D3.17 To notify promptly the Director of Finance / Treasurer any loss or damage or any event this is likely to lead to a claim against the authority. In the event of theft or malicious damage, the police should also be notified of the loss or damage.

- D3.18 On the happening of any event, which might give rise to a claim by the Authority, against a third party, promptly to notify the Solicitor / Monitoring Officer.
- D3.19 To notify the Director of Finance / Treasurer promptly of all new risks, properties, vehicles or equipment that require insurance and of any alterations affecting existing insurers.
- D3.20 To ensure that employees, or anyone covered by the Authority's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.
- D3.21 To ensure that any employee using their private motor vehicle on Authority business has adequate insurance that covers that vehicle for business use.

D4. Internal Control

Why is this important?

- D4.1 Internal control is the system of control to help ensure the Authority's objectives are achieved in a manner which promotes economical, efficient and effective use of resources and that the Authority's assets and interests are safeguarded.
- D4.2 Derbyshire Fire Authority requires a system of internal control to manage risks and monitor its progress towards delivering strategic objectives and complying with its statutory obligations.

General

- D4.3 The key controls for a system of internal control are to ensure that:
- managerial control systems are in place which defines policies, set objectives and plans, monitor financial and other performance and provide for the appropriate anticipatory and remedial action to be taken.
 - financial and operational control systems and procedures are in place, which include provision for supervisory checks over the actions of staff, the physical safeguarding of assets, the segregation of duties, the determination of authorisation and approval procedures, and the availability of appropriate information systems;
 - an adequate and effective internal audit function is provided;
 - regular reviews of the internal control systems are carried out;
 - the Governance and Performance Working Group consider the annual opinion on the effectiveness of the systems of internal control.

Responsibilities of the Director of Finance / Treasurer

D4.4 To advise and seek approval from the Authority through the Governance and Performance Working Group for an appropriate control environment, effective internal controls and risk management procedures, which provide reasonable assurance of the effective and efficient delivery of services, financial stewardship, probity, and compliance with statutory requirements and regulations.

Responsibilities of Managers

D4.5 To put in place appropriate measures to achieve effective internal financial controls. These may include:

- Provision of codes of practice and procedures.
- Adequate operation of budgetary control and accounting systems.
- Adequate supervision.
- Physical safeguarding of property and staff.
- Segregation of duties.
- Maintenance of local information systems.
- Adherence to authorisation and approval processes.

D4.6 To promote an effective internal control system in their departments.

D4.7 To ensure staff have a clear understanding of the requirements of the internal control measures and the consequences of not applying them.

D4.8 To advise the Director of Finance / Treasurer, of the need to consider the updating of existing controls in the light of changing circumstances.

D5. Internal Audit

Why is this important?

- .D5.1 Internal Audit is an independent and objective appraisal function for reviewing the Authority's systems of internal control. It examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- D5.2 The provider of the audit is authorised to appraise the adequacy of procedures employed by the Chief Fire Officer / Chief Executive to secure economy, efficiency and effectiveness in the use of resources.
- D5.3 Cases of suspected fraud, misappropriation of money, materials or equipment, or any mismanagement of money or other assets, or any other irregularities, must be reported immediately to the Director of Finance / Treasurer, who will investigate and report to the Chief Fire Officer / Chief Executive, who in turn will consult with the Solicitor / Monitoring Officer and consider any appropriate legal proceedings and disciplinary action.

Responsibilities of the Chief Fire Officer / Chief Executive

- D5.4 The Chief Fire Officer / Chief Executive should consider and respond promptly to recommendations in audit reports.
- D5.5 The Chief Fire Officer / Chief Executive should ensure that any significant agreed actions arising from audit recommendations are incorporated into the Service Plan and carried out in a timely and efficient manner.

Responsibilities of the Director of Finance / Treasurer

- D5.6 To ensure that Internal Audit has the right of access to all assets, records and personnel. This includes the authority to obtain information and explanations as it considers necessary to fulfil its responsibilities.
- D5.7 The Director of Finance / Treasurer shall approve any new systems for the maintenance of financial records, or records of assets of the Authority or changes to such systems prior to implementation.

Responsibilities of Managers

- D5.8 To establish and maintain a sound system of internal control. Internal Audit can offer advice and recommendations on control weaknesses and how they can be addressed, management retain responsibility and accountability for their operations and the related control arrangements.
- D5.9 To ensure that auditors are provided with any information and explanations that they seek in the course of their work.

D5.10 To consider and respond promptly to findings and recommendations in audit reports and ensure that any agreed actions arising from audit recommendations are carried out timely, efficiently and effectively.

D6. External Audit

Why is this important?

D6.1 The authority's accounts are scrutinised by external auditors, who must be satisfied that the Statement of Accounts give a 'true and fair' view of the financial position of the authority and complies with legal requirements.

Responsibilities of the Director of Finance / Treasurer

D6.2 In accordance with Regulation 6 of the Accounts and Audit Regulations 2003, or any subsequent requirements, the Director of Finance / Treasurer shall ensure an adequate and effective audit of the accounts to the Fire and Rescue Authority.

D6.3 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work.

D6.4 To ensure that there is effective liaison between external and internal audit.

D6.5 To work with the external auditor and advise Members, in line with the Scheme of Delegation, and Managers on their responsibilities in relation to external audit.

D6.6 To consider, in conjunction with Managers when necessary, and respond as appropriate to reports and management letters issued by the external auditors.

Responsibilities of Managers

D6.7 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purposes of their work.

D6.8 To ensure that all records and systems are up to date and available for inspection by the external auditors as and when required.

D7. Preventing Fraud and Corruption

Why is this important?

- D7.1 The Authority is accountable to the public for the actions of all its Members, employees and others acting on its behalf, and needs to safeguard against the misuse of the assets and resources held on the public's behalf. The Authority will not tolerate fraud and corruption in the administration of its duties and responsibilities, whether from inside or from outside the authority.
- D7.2 The Authority's expectation with regard to propriety and accountability is that Members and staff at all levels undertake their duties with honesty and integrity.
- D7.3 The Authority also expects that individuals and organisations (e.g. suppliers, contractors, and service providers) with which it contracts will act towards the Authority with similar honesty and integrity and without behaviour that constitutes fraud or corruption.

General

- D7.4 The key controls regarding the prevention of fraud or financial irregularities are that:
- Policies and procedures are determined and operate effectively which set out the standards of conduct to be followed by Members, staff, partners and service providers and this is communicated and applied effectively.
 - An adequate & effective Internal Audit function is provided.
 - Procedures and practices are reviewed on a regular basis to identify any suspected weaknesses, and that the procedures and practices are revised as necessary.
 - A register of interests is maintained in which details of any hospitality or gifts offered to Members, partners or staff are recorded regardless of whether or not the offer was accepted.
 - Identified or suspected frauds or financial irregularities are examined swiftly and offenders are dealt with firmly and appropriately.

Responsibilities of the Director of Finance / Treasurer

- D7.5 To ensure the Authority maintains adequate and effective internal control arrangements.
- D7.6 To seek to recover monies stolen from the Authority by whichever means is appropriate. In respect of dismissed employees this will include making an application to recover money from their pension rights within the Local

Government Pension Scheme.

- D7.7 Where the Director of Finance / Treasurer believes that reasonable grounds exist to suspect that a loss or deficiency has resulted from a fraudulent or illegal act, the Director of Finance / Treasurer may refer the relevant facts to the Police for further investigation.

Responsibilities of Managers

- D7.8 To ensure compliance with all policies, strategies and procedures on anti-fraud and corruption measures and with the whistle-blowing policy and procedures.
- D7.9 To ensure that all suspected financial irregularities are reported to the Director of Finance / Treasurer or Internal Auditor at the earliest opportunity.

D8. Hospitality

- D8.1 Hospitality may only be accepted where it is secondary to a specific working arrangement. A register shall be maintained, by the Solicitor / Monitoring Officer, of the details of any gifts or hospitality offered to any member of staff regardless of whether or not the offer has been accepted; to monitor the reasonableness of the gifts received, the frequency and level of amounts received by an individual and, if deemed unreasonable, to take action to avoid a further recurrence; and to make the register of details available for public inspection.

Responsibilities of Employees

- D8.2 Invitations of a predominately social nature, with only a tenuous or specific connection with work should not be accepted.
- D8.3 Gifts of a nominal value such as calendars, diaries etc. may be accepted only if they bear the company's name or insignia and can therefore be regarded as advertising material.
- D8.4 Gifts of more than a nominal value offered to employees by contractors, organisations, suppliers or individuals should always be declined, and the offer reported to the Chief Fire Officer / Chief Executive.

D9. Treasury Management and Related Items

Why is this important?

- D9.1 Each year the Authority processes a high volume of both high and low value cash transactions through its accounts. It is essential that the Authority manages properly both the raising of loans by the most appropriate means so as to minimise the cost of borrowing; and also the investment of cash which is not immediately required to meet payments so as to balance risk of loss with the investment return to be gained. The Authority is able to achieve an assurance that its cash is being managed efficiently by ensuring that national codes of practice are applied.
- D9.2 This Authority adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code). Accordingly the Authority will create and maintain, as the cornerstones of effective treasury management:
- a treasury management strategy stating the policies and objectives of its treasury management activities.
 - suitable treasury management practices setting out the manner in which the Authority will achieve these policies and objectives and prescribing how it will manage and control those activities.

Treasury Management

Responsibilities of Director of Finance / Treasurer

- D9.3 To arrange approval of treasury management strategies and policies in accordance with the CIPFA Code of Practice on Treasury Management and statutory requirements.
- D9.4 To prepare reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in the treasury management practices.
- D9.5 To carry out the execution and administration of treasury management decisions, in accordance with the Authority's Treasury Management Strategy and Operational Systems Document and CIPFA's Standard of Professional Practice on Treasury Management.
- D9.6 To identify, in conjunction with Managers, the projected cash-flow position of the Authority, and, in the light of this, to arrange the borrowings and investments for the Authority in accordance with the approved Treasury Management Strategy so as to ensure that the borrowings and investments are valid, complete, accurate and properly accounted for and the Authority remains

in a liquid position with regards to paying creditors.

- D9.7 To arrange borrowing and investments of the Authority in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and statutory requirements.
- D9.8 To make sure that all investments of money are made in the name of the Authority or in the name of nominees approved by Fire Authority.
- D9.9 To make sure that all the title deeds of all property in the Authority's ownership are held in the custody of the Authority's Solicitor / Monitoring Officer or other nominated body (e.g. Derbyshire County Council).
- D9.10 To effect all borrowings in the name of the Authority and to maintain records of all borrowing of money by the Authority.
- D9.11 To support the Fire Authority in its role to carry out the implementation and monitoring of the Authority's treasury management strategy.
- D9.12 To support the Authority's Governance and Performance Working Group in its role to be responsible for ensuring effective scrutiny of the treasury management strategy.

Responsibilities of Managers

- D9.13 To adhere to the requirements of the approved Treasury Policy Strategy and treasury management practices, and in particular neither to arrange for any borrowing, nor to make any investment or advance any loan to a third party without the prior approval of the Director of Finance / Treasurer, and approval by Fire Authority for interests in companies, joint ventures or other enterprises.
- D9.14 To provide details of projected cash flow requirements to the Director of Finance / Treasurer in order to enable the Corporate Finance Team to arrange appropriate borrowings or investments on behalf of the Authority; including notification of anticipated grant payments and receipts or other large amounts.

Banking

Responsibilities of Director of Finance / Treasurer

- D9.15 To act as the Authority's Officer with delegated responsibility for the opening and closing of all bank accounts as are necessary for the Fire Authority and to keep an up to date record of signatories.
- D9.16 To determine, or approve, all arrangements for the operation of such receipt, collection and banking facilities for the Authority (and for other organisations that appoint the Director of Finance / Treasurer as Company Treasurer or Finance Director), as the Director of Finance / Treasurer considers appropriate having regard to all statutory and corporate requirements.
- D9.17 To ensure that all bank accounts are in the name of Derbyshire Fire and Rescue Authority.
- D9.18 To ensure Managers are aware of, and comply fully with, their responsibilities for bank accounts operated under their control.

Responsibilities of Managers

- D9.19 To comply with the arrangements determined by the Director of Finance / Treasurer for the operation of such banking facilities as the Director of Finance / Treasurer considers appropriate.
- D9.20 To ensure that appropriate accounting and banking arrangements are in place for specific donations and fundraising income, with agreement of the Director of Finance / Treasurer.

Payments by Direct Debit

Responsibility of Director of Finance / Treasurer

- D9.21 To ensure that no payment is made by the Authority via direct debit without the relevant direct debit mandate first having been authorised by the Director of Finance / Treasurer.

Credit Cards and Purchase Cards

Responsibility of Director of Finance / Treasurer

- D9.22 To provide credit cards and procurement cards to be used for agreed purposes and to be allocated to nominated members of staff.
- D9.23 To ensure that anyone applying for a credit card or procurement card receives approval from the Director of Finance / Treasurer and follows procedures issued so that the Authority's accounts are kept up-to-date and that reclaimable VAT is properly accounted for.

- D9.24 To prescribe procedures for the use of credit cards and procurement cards and the accounting arrangements required to record and monitor expenditure incurred with such cards.
- D9.25 To ensure that credit cards and procurement cards are NOT used for personal purchases, and are returned to Corporate Financial Services for destroying immediately the card-holder changes role or leaves the Authority.

Responsibility of Card Holders

- D9.26 To operate the use of credit cards and procurement cards in accordance with the procedures issued by the Director of Finance / Treasurer, including the relevant authorised limits.
- D9.27 For the cards to be used as an effective means of payment that does not circumnavigate the normal procurement processes.
- D9.28 No purchases using credits cards should be made on auction sites or similar.

Imprest Accounts

Responsibilities of Finance Manager

- D9.29 To ensure that all instances where cash is required, in order to manage small purchases in a flexible way, are operated as imprest accounts, whereby the maximum cash value of the account is determined in advance and receipt-backed reimbursements up to this maximum are made regularly.
- D9.30 To provide nominated offices within the Authority with cash or debit cards on a bank imprest account to meet minor expenditure on behalf of the Authority and to prescribe rules for operating these accounts. Items of expenditure should not exceed the prescribed amount (see Appendix 1).
- D9.31 To maintain, determine, and periodically review, arrangements for the provision and operation of cash and / or the bank imprest account, including:
- maintaining an up to date record of all accounts and the authorised debit card holders for each imprest location,
 - requirements for the recording of all advances made,
 - the security of cash holdings,
 - the reconciliation of activity on the account.

Responsibilities of Managers

D9.32 To operate, or to ensure that staff operate imprest accounts in accordance with the procedures and guidance notes issued and in conjunction with the Authority's procurement arrangements; in particular:

- obtain and retain vouchers to support each payment from the imprest account. An official receipted VAT invoice must be obtained.
- make adequate arrangements in their office for the safe custody of the card and monies.
- produce upon demand to the Finance Manager cash and all vouchers to the total value of the imprest amount or cash float balance held.
- record all transactions completely, accurately and promptly.
- reconcile and balance the account at least monthly; reconciliation sheets to be signed retained and forwarded to Finance.
- maintain an up to date record of all authorised card holders for each signed location and to ensure that amendments are notified promptly to the bank.
- to operate the account only for the payment and reimbursement of minor expenditure on behalf of the Authority and, under no circumstances, to use the account to cash personal cheques or to make personal loans.

D10. Assets and Security

Why is this important?

D10.1 The Authority holds assets in the form of property, vehicles, equipment, furniture and other items worth many millions of pounds. It is important that assets should be safeguarded and used efficiently in the delivery of services and that there should be arrangements for the security of both assets and service operations.

D10.2 All assets should be safeguarded against loss, damage, misuse or any other unnecessary diminution in value so that they continue to be available to provide continuity of efficient service delivery.

D10.3 In addition, for capital assets, up to date details are required for purposes of both fixed asset accounting and sound asset management.

D10.4 In some instances it may be more cost effective to lease assets, including property, vehicles and equipment, rather than to purchase them outright.

D10.5 It is important to distinguish between operational leases and finance leases as both have differing accounting.

General

D10.6 The key controls for the security of resources such as land, buildings, vehicles equipment, plant, machinery, and other assets are that procedures are in place to ensure that:

- The items are used only for the purposes of the Authority and are properly accounted for.
- The items are available for official use as and when required.
- When the items are no longer of use, and have been approved for disposal by Managers, the Chief Fire Officer / Chief Executive in conjunction with the Director of Finance / Treasurer, they are disposed of in an appropriate manner so as to maximise the sale proceeds, unless there has been prior Member approval to allow the item(s) to be donated to a charity, voluntary organisation or similar body.
- Details of all items are recorded at the time of purchase in an asset register, or other appropriate record and that the details of the item's location, value and condition are maintained up to date.
- A physical verification of assets is carried out on a regular basis.
- All staff are aware of their responsibilities with regard to the safeguarding of the Authority's assets.

Security

Responsibilities of Director of Finance / Treasurer

D10.7 To make sure a capital asset register is maintained in accordance with good practice for all fixed assets with a material value as determined by the Director of Finance / Treasurer.

D10.8 To ensure that each Manager maintains and provides all information relating to assets that is required for accounting, costing and financial records.

D10.9 Proposals for the acquisition or disposal of land or buildings, whether freehold or leasehold, shall be referred to the Director of Finance / Treasurer and the Chief Fire Officer / Chief Executive.

D10.10 The acquisition or disposal of land or buildings by Managers should have been agreed by the Director of Finance / Treasurer and the Chief Fire Officer / Chief

Executive after due consideration to the Authority's Capital Strategy and be executed as part of their Revenue Budget or Capital Programme as appropriate.

D10.11 To ensure that relevant assets are valued on a regular basis and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.

Responsibilities of Managers

D10.12 The Director of Finance / Treasurer will maintain a record for all properties, plant and machinery and moveable assets currently owned or used by the Authority.

D10.13 To make sure that lessees and other prospective occupiers of Authority land or property are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the Director of Finance / Treasurer has been signed by the Director of Finance / Treasurer.

D10.14 To make sure the proper security of all buildings and other assets under their control.

D10.15 Where land or buildings are surplus to the requirements a recommendation for the sale of land should be the subject of a report to the Director of Finance / Treasurer.

D10.16 To pass title deeds to the Chief Fire Officer / Chief Executive who is responsible for custody of all title deeds.

D10.17 To make sure that no Authority asset is subject to personal use by an employee without proper authority and is in accordance with relevant policies and procedures.

D10.18 To make sure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Authority.

D10.19 To make sure assets are identified, their location recorded and that they are appropriately marked and insured.

D10.20 To consult the Director of Finance / Treasurer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

D10.21 To make sure cash holdings on premises are kept to a minimum in line with normal operational requirements.

D10.22 To make sure that all their employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information,

whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value and its disclosure or loss could result in a cost to the Authority in some way.

Leased Assets

Responsibilities of Director of Finance / Treasurer

D10.23 To approve any new leases, or amendments to existing leases, which change the Authority's financial commitment, before arrangements are contractually committed.

D10.24 To determine and issue guidance on leasing proposals, having regard for value for money.

D10.25 To ensure all leased assets are recorded on a register.

Responsibilities of Managers

D10.26 To ensure the Director of Finance / Treasurer is consulted on all proposals for leased assets.

D10.27 To keep an inventory of all leased assets and to ensure assets are returned at the end of the lease period in accordance with the terms of the arrangement.

Disposal of Assets

Responsibilities of Director of Finance / Treasurer

D10.28 To determine and issue to Managers guidance for the disposal of assets.

D10.29 To monitor Manager's adherence to the guidance, including the recording and accounting for sale proceeds.

Responsibilities of Managers

D10.30 To follow and to ensure that staff follow, the Director of Finance / Treasurer' instructions on the disposal of surplus or obsolete vehicles, plant, furniture, materials, stocks, stores or other equipment.

D10.31 To ensure that surplus or obsolete assets are identified promptly.

D10.32 To ensure that disposal is timely and by the appropriate means.

D10.33 To make arrangements for the disposal of surplus goods, materials, vehicles and equipment in the manner most beneficial to the Authority.

D10.34 To maintain a record of all disposals on inventories or within stock systems, including details of the quantity, items, proceeds and the purchasers.

D10.35 To ensure that sale proceeds are banked and accounted for promptly, and that the Director of Finance / Treasurer is notified of the disposal of any capital assets.

Inventories

Responsibilities of Director of Finance / Treasurer

D10.36 To determine and issue to Managers guidance for the management and control of inventories.

D10.37 To monitor Manager's adherence to the guidance, including the recording and accounting for inventories.

Responsibilities of Managers

D10.38 To ensure that an inventory is maintained and that an adequate description of furniture, fittings and equipment (including IT equipment), plant and machinery are recorded. All items with an estimated value greater than £500 should be recorded.

D10.39 To ensure that all items of equipment, plant, furniture, fittings, machinery and other items, and in particular those which are attractive and portable, such as computers (including tablets), mobile phones, cameras and video recorders, are identified with security markings as belonging to the Authority.

D10.40 To make sure that the Authority's property is not removed except in accordance with the ordinary course of the Authority's business,

D10.41 To ensure that equipment is used only in the course of the Authority's business unless the Chief Fire Officer / Chief Executive has given permission otherwise, and subject to Authority's policy on private use.

D10.42 To ensure that appropriate records are maintained of those items of equipment, which are in the control of specific members of staff.

D10.43 To carry out a check at least annually of the existence and continued suitability for use, of all items recorded in the inventory, and to take appropriate action in respect of any discrepancies or items no longer suitable for use, annotating the inventory accordingly.

Materials, Stocks and Stores

Responsibilities of the Chief Fire Officer / Chief Executive

- D10.44 The Chief Fire Officer / Chief Executive shall be responsible for the safe custody of stocks and stores, and the maintenance of records in accordance with advice issued, as appropriate, by the Director of Finance / Treasurer.
- D10.45 The Chief Fire Officer / Chief Executive shall ensure arrangements are made for the care and custody of materials, stocks and stores and that stocks are maintained at reasonable levels and are subject to an independent physical check of stores at least once a year. A stock valuation report shall be provided to the Director of Finance / Treasurer at the end of each financial year. The stock certificates must be signed, dated and witnessed.
- D10.46 The Chief Fire Officer / Chief Executive shall ensure that all stores discrepancies are investigated and pursued to a satisfactory conclusion.

Responsibilities of the Director of Finance / Treasurer

- D10.47 To determine and issue to Managers guidance for the management and control of materials, stocks and stores.
- D10.48 To monitor Managers adherence to the guidance, including the recording and accounting for materials, stocks and stores.

Responsibilities of Managers

- D10.49 A Principal Officer and Director of Finance / Treasurer may write-off discrepancies within agreed financial limits (see Appendix 1),
- D10.50 To maintain a record of all disposals, including details of the proceeds and the purchasers.
- D10.51 To provide to the such information concerning materials, stores or other assets as is required for financial accounting purposes, or to allow the Director of Finance / Treasurer to report the level of write-offs to the Fire Authority on a regular basis.

E. FINANCIAL SYSTEMS AND PROCEDURES

E1. General Systems and Procedures

Why is this important?

E1.1 Departments have many systems and procedures relating to the assets of the Authority, including purchasing, property and fleet management systems. Departments are largely reliant on I.T. for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to make sure that transactions are properly processed and errors detected promptly.

General

E1.2 The key controls in the provision of financial systems and procedures are to ensure that:

- operating systems and procedures are secure;
- financial management information is provided in a timely manner to enable managers to monitor performance against budget, and, where relevant, to take appropriate corrective action; and
- Financial Regulations, Procedures and Standing Orders are reviewed on an on-going basis to reflect approved changes in operating systems, procedures and legislation.

Responsibilities of the Director of Finance / Treasurer

E1.3 To make arrangements for the proper administration of the financial affairs, including to:

- determine the accounting systems, form of accounts and supporting financial records, banking services and procedures to be maintained or prepared approve any changes to be made to existing financial systems or new systems introduced to the Authority,
- review, on an on-going basis the Financial Regulations, Procedures and Standing Orders to ensure that they remain appropriate and applicable; and, where this is not the case, seeking approval for their amendment establish and keep up to date a Scheme of Delegation identifying officers authorised to act on the Chief Fire Officer / Chief Executive's behalf,

Responsibilities of Managers

- E1.4 To make sure that vouchers and documents supporting financial transactions or decisions are not destroyed except in accordance with arrangements approved by the Director of Finance / Treasurer.
- E1.5 To make sure that a complete management trail, allowing financial transactions to be traced from the original document to the accounting records, and vice versa, is maintained.
- E1.6 To incorporate appropriate controls and checks to make sure that, where relevant all input, processing and output is genuine, complete, accurate, timely and not previously processed,
- E1.7 To make sure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and minimise the risk of fraud or other malpractice.
- E1.8 To make sure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.
- E1.9 To make sure that systems, procedures and responsibilities are documented and employees trained in operations.
- E1.10 To consult with the Director of Finance / Treasurer before changing any existing system or introducing new systems.
- E1.11 To supply lists of authorised officers, with specimen signatures and delegated limits, to the Director Finance / Treasurer.
- E1.12 To make sure that effective security arrangements, including back-up procedures, exist for computer systems. Wherever possible back-up information should be securely retained in a fireproof location, preferably off-site, or in an alternative location within the building.
- E1.13 To make sure that, where appropriate, computer systems are registered in accordance with the Data Protection legislation and that employees are aware of their responsibilities under the legislation.

E2. Income

Why is this important?

- E2.1 Income is derived both from the provision of supplies and services to customers and from contributions, grants, taxes and other revenues to finance services generally.
- E2.2 An effective collection system is necessary to make sure that all of the income due is identified and collections are receipted, banked and accounted for properly. It is preferable to obtain income in advance of supplying goods where possible to mitigate administrative costs.

Responsibilities of Director of Finance / Treasurer

- E2.3 An annual review of income scales, rents and charges shall be undertaken in consultation with the Director of Finance / Treasurer.
- E2.4 The VAT implications of new income proposals and all potential land and property negotiations should be discussed with the Director of Finance / Treasurer at the earliest opportunity before commitments are made.
- E2.5 To agree arrangements for the collection of all money due to the Authority and approve the procedures, systems and documentation for the collection of all income.
- E2.6 To agree the write-off of bad debts up to the approved limit in each case and to refer larger sums to the Fire Authority (see Appendix 1), once it is considered that all reasonable steps have been taken to recover the sums due.
- E2.7 A report of all debts written off will be produced and submitted to Fire Authority annually.

Responsibilities of Managers

- E2.8 Managers are responsible for investigating and putting forward for consideration any additional potential sources of income they identify. All managers should be aware of the Authority's current policy document dealing with income generation.
- E2.9 To ensure that money collected and banked is reconciled to the general ledger and bank account promptly.
- E2.10 To determine, with prior agreement from the Director of Finance / Treasurer, the arrangements for the prompt and complete collection of all income and other amounts due to the Authority for services, and the procedures, systems and documentation for its collection.

- E2.11 To obtain the Director of Finance / Treasurer's approval for proposed changes to established procedures or systems for the collection of new income and other income prior to making the commitment for such changes.
- E2.12 To ensure satisfactory arrangements being in place for the safe custody and control all monies and receipt books.
- E2.13 To establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, and review it regularly, within corporate policies.
- E2.14 To segregate duties so as to ensure that different members of staff are involved in each stage of the processes for the identification of amounts due, the receipt of cash in settlement of the debt, the reconciliation of the amount due to that received, and the reconciliation of cash received and banked to the relevant bank account.
- E2.15 To make sure that sales invoices are raised within 30 days of the provision of service and that appropriate documentation is provided.
- E2.16 In order to minimise administration costs the issue of invoices will be limited to those amounting to £20 and above. Sums due below this level should be collected prior to service delivery.
- E2.17 To make sure that income is paid fully and promptly into the appropriate Authority bank account in the form in which it is received. Appropriate details should be recorded to provide an adequate audit trail and stored for the defined period in accordance with 'Guidelines on the Retention of Financial Records', see Appendix 3.
- To safeguard against money laundering, payment in cash in excess of £5,000 for any single transaction will not be accepted from any source.**
- E2.18 To keep a record of every transfer of money whenever it changes hands.
- E2.19 To make sure income is not used to cash personal cheques or other payments.
- E2.20 To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- E2.21 To recommend to the Director of Finance / Treasurer all debts to be written off and keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.

E2.22 To obtain the approval of the Director of Finance / Treasurer for writing off debts in excess of the approved limit and the approval of the Fire Authority where required (see Appendix 1).

E3. Ordering and Paying for Work, Goods and Services

Why is this important?

E3.1 Public money should be spent with demonstrable probity and in accordance with the Authority's policies. The Authority's Financial Regulations, Procedures and Standing Orders should help ensure value for money in their purchasing arrangements.

General

E3.2 All those engaged in the specification and sourcing of goods and services must recognise that they fulfill a leading role in the Authority's drive for Best Value and the realisation of efficiency savings. Such savings have to be identified, quantified and reported. To ensure progress in this area is fully recognised, finance staff must be notified of any potential efficiency gains using procedures currently in force.

E3.3 Every employee and Member of the Authority has a responsibility to declare any links or personal interests that they may have with providers of goods or services or suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Authority.

E3.4 Official orders must be in a form approved by the Director of Finance / Treasurer. Official orders must be issued for all work, goods or services to be supplied to the Authority except for supplies of utilities, periodical payments such as rent or rates, petty cash purchases or other exceptions specified by the Director of Finance / Treasurer. This will assist the promotion of a No Purchase Order, No Payment Policy.

E3.5 Each order must conform to the directions of the Authority's Standing Orders In Relation To Contracts. Standard terms and conditions must not be varied without the prior approval of the Director of Finance / Treasurer.

E3.6 The preferred method of payment of money due from the Authority will be by BACS (paid into a UK bank account), cheques only in exceptional circumstances or other instrument drawn on the Authority's bank account by the Director of Finance / Treasurer. The use of direct debit or standing orders will require the prior agreement of the Director of Finance / Treasurer.

E3.7 Occasionally the most appropriate means of obtaining goods and services may be via the internet, necessitating the use of a procurement/credit card. This course of action must be agreed by the Procurement Manager (or nominated deputy) and in the case of purchasers in excess of £1,000 also by the Director of Finance / Treasurer (or their nominated deputy). Sufficient documentary evidence to allow the payment of any subsequent account must be obtained to

enable reconciliation of the monthly statement by the Finance team. All documents will be attached to the finance system.

E3.8 Official orders must not be raised for any personal or private purchases, nor should personal or private benefits be made of Authority contracts, unless specifically authorised in writing by the Director of Finance / Treasurer and appropriate accounting arrangements made.

The key controls for ordering and paying for work, goods and services are:

- All goods and services are ordered only by appropriate persons using approved ordering systems and only after gaining assurance that the appropriate budget heading has the capacity to fund the purchase.
- All goods and services shall be ordered in accordance with the Authority's Standing Orders Relating to Contracts / Procurement Strategy.
- Procurement to determine acceptance of all new suppliers and to advise other interested parties of additional financial implications including overseas suppliers.
- Goods and services received are checked on receipt to ensure they are in accordance with the order and whenever available, the official delivery note is recorded in the computer based finance system.
- Payments are authorised by employees who can certify that goods have been received to price, quantity and quality.
- All payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method.
- All appropriate payment documents are retained and stored for the defined period in accordance with the Authority's "Guidelines on the Retention of Financial Records" (see Appendix 3).
- All expenditure including VAT is accurately recorded against the correct budget and any exceptions corrected.

E3.9 All references in this section of the regulations should be taken to include, and apply equally to e-commerce transactions. The advent of this element of the Authority's operations requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

Responsibilities of Director of Finance / Treasurer

- E3.10 To make sure that all of the Authority's financial systems, processes and procedures for the ordering, purchasing and payment of suppliers for goods and services are sound, appropriately documented, properly authorised and well administered.
- E3.11 The Director of Finance / Treasurer must ensure that only those employees authorised to do so, authorise orders and shall maintain an up-to-date list of such authorised employees, identifying in each case the limits of their authority.
- E3.12 No employee shall authorise work to be undertaken or goods to be supplied which are to be the subject of a contract or other legal agreement until a Purchase Order has been authorised by the Budget Manager.
- E3.13 To define the requirements for the checking and certification of invoices prior to payment and to confirm that the goods have been ordered and received, the invoice is in order and is certified for payment by an appropriate Officer.
- E3.14 To approve the format of official orders, and associated terms and conditions.

Responsibilities of Managers

- E3.15 Orders should be approved by designated budget holders and deputies according to set limits as shown in Appendix 2.
- E3.16 Exceptions to set limits as shown in Appendix 1 relate to Transport and Technical Services orders the relevant Station Manager or deputised Budget Manager shall be able to approve on behalf of the Group Manager when it is considered to be appropriate (the Group Manager is not available to approve and delaying approval could affect the operational ability of the Authority).
- E3.17 The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Value for money should always be taken into consideration.
- E3.18 No employee shall authorise work to be undertaken or goods to be supplied which are to be the subject of a contract or other legal agreement until a Purchase Order has been authorised by the budget holder.
- E3.19 To make sure that goods and services are checked on receipt to make sure they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order.
- E3.20 To ensure payments are not to be made unless a proper invoice has been received, checked, coded and certified for payment and supporting documentation attached to confirm:

- Receipt of goods or services (payment should not be made in advance of goods being received unless specific prior approval is given).
- That the invoice has not previously been paid.
- That expenditure has been properly incurred and is within budget provision.
- That prices are correct and accord with quotations, tenders, contracts or catalogue prices.
- That the invoice is arithmetically correct.
- Correct accounting treatment of tax.
- The invoice is correctly coded.
- Discounts have been taken where available.
- That appropriate entries will be made in accounting records.

E3.21 In conjunction with the Director of Finance / Treasurer, to make sure that invoices are authorised, processed and paid promptly within agreed contractual terms and conditions or within 30 days of the invoice date in line with the regulations of the Late Payment of Commercial Debts (Interest) Act 1998. Checks should be made to make sure invoices are paid only once and are within budget provision and are coded correctly.

E3.22 To ensure, where an invoice exceeds the original order, that the additional amount is authorised by an employee authorised to do so, and that the authoriser is satisfied that the additional amount is correct and payable, that there is adequate budget provision and that the correct budget code has been used.

E3.23 To ensure payments are not made on a photocopied or faxed invoice, statement or other document other than the formal letter headed invoice or, where sanctioned, an e-invoice.

E3.24 To make sure that the department obtains best value for money from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality.

E3.25 The Authority's approved Procurement Strategy and procedures in putting purchases, where appropriate, out to competitive quotation or tender should be utilised. These will comply with Standing Orders in Relation to Contracts, which covers:

- Authorised Employees and the extent of their authority.
- Advertisement for competitive tenders or seeking quotations.

- Procedures for creating, maintaining and revising a standard list of contractors or similar schemes relating to the selection of suppliers.
- Selection of tenderers.
- Compliance with UK and EC legislation and regulations.
- Procedures for the submission, receipt, opening and recording of tenders.
- The circumstances where financial or technical evaluation was necessary.
- Procedures for negotiation.
- Acceptance of tenders.
- The form of contract documentation.
- Cancellation clauses in the event of corruption or bribery.
- Contract records.

E3.26 No loan, leasing or rental arrangements shall be entered into without prior agreement from the Director of Finance / Treasurer and Solicitor / Monitoring Officer and Chief Executive. This is because of the potential impact on the Authority's borrowing powers, to protect the Authority against entering into unapproved credit arrangements and to ensure value for money is being obtained.

E3.27 To notify the Director of Finance / Treasurer of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Director of Finance / Treasurer.

E3.28 Contracts for construction and alterations to buildings shall be documented and agreed with the Director of Finance / Treasurer, with regard to the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of sub contractors' tax status.

E3.29 To secure for contractual or legislative purposes, where relevant, a bond or deposit of a reasonable sum to reflect the level of risk the Authority is exposed to in relation to the specific requirements of the agreement.

E3.30 To maintain a record of any bonds or deposits held as assurances.

E3.31 To notify the Director of Finance / Treasurer immediately of any expenditure to

be incurred as a result of statute/court order where there is no budgetary provision.

- E3.32 All appropriate payment records shall be retained and stored for the required period in accordance with Authority policy (Appendix 3).
- E3.33 Employees should not make official purchases, excluding personal expenses, using personal credit / debit cards for which they subsequently seek reimbursement from the Authority as this circumvents the requirement for pre-authorisation by an independent party, unless there is a prior and specific business case with authorisation from the Director of Finance / Treasurer. Specific evidence and documentation will need to be provided to facilitate reimbursement.
- E3.34 In instances where the total purchase order value exceeds £100,000 and is procured via national or regional framework agreements, a Principal Officer will authorise in consultation the Chair of the Fire and Rescue Authority with a summary report of tenders accepted at the next Fire and Rescue Authority for information. This regulation also applies to capital expenditure.
- E3.35 Commitments incurred by placing orders must be shown against the appropriate budget allocation so that it can be taken into account in budget monitoring reports.
- E3.36 All acquisitions and disposals of land and/or buildings (whether by leasing, rental or any other means) shall be negotiated and agreed by the Chief Fire Officer / Chief Executive and Director of Finance / Treasurer upon the advice of the Head of Property Services. The VAT status of land should be considered at acquisition & disposal. Corporate Financial Services.
- E3.37 The Fire and Rescue Authority corporate credit card is available for the booking and payment of goods and services over the telephone, electronically, or where no other means of payment is appropriate. The credit cards/procurement cards are restricted to access by specific employees as nominated by the Director of Finance / Treasurer only, and should be kept secure at all times. Prior budget approval must be given on the appropriate document before access is given. VAT Receipts/Invoices must be obtained for all transactions and reconciled to the credit card account each month.

E4. Payments to Active Employees, Pensioners of the Firefighters Pension Scheme and Members

Why is this important?

- E4.1 Employee costs are the largest item of expenditure in most departments of the Authority. It is therefore important that there should be controls in place to make sure that payments are made only where they are due for services to the Authority and that payments accord with individual's conditions of employment. Provision should also be made to account for these transactions completely, accurately and promptly; and to comply with statutory and other corporate requirements.
- E4.2 The key controls for payments to current and former employees and Members are to ensure that procedures and processes are in place which ensures that:
- payments are made at the appropriate time under secure, sound and reliable arrangements and in line with nationally and locally agreed Pay scales.
 - payment arrangements provide for the appropriate segregation of duties and authorisation procedures.
 - payments are in accordance with all statutory requirements as well as regulations and directions of the Authority.
 - payments are accounted for completely, accurately and promptly.
 - payments are monitored regularly against approved budgets.
 - all appropriate payroll records and supporting documentation are retained for the appropriate period (see Appendix 3).
 - that the correct NIC categories, tax codes and pension bandings, where applicable, are applied.
 - that any statutory or voluntary deductions are applied as directed by the relevant body.

Responsibilities of Director of Finance / Treasurer

- E4.3 To make sure satisfactory arrangements and controls exist to provide secure and reliable payment of salaries, compensation or other payments to existing and former employees in accordance with procedures prescribed by the

Director of Finance / Treasurer on the due date.

- E4.4 To record, control and pay completely, accurately and promptly all tax, pensions and other statutory and voluntary payroll deductions.
- E4.5 To ensure that statutory payments are made in line with legislative procedures.
- E4.6 To ensure that occupational payments are made in line with policy.
- E4.7 To ensure the secure and prompt payment of salaries by the most efficient means.
- E4.8 To make arrangements for emergency/hardship payments to staff where required and with prior authorisation from the Director of Finance/Treasurer, and for the subsequent repayment of these amounts.
- E4.9 To make arrangements for payment of all travel and subsistence claims or allowances as agreed by the NJC. (Financial loss is paid through Finance).
- E4.10 To make arrangements for paying Members' travel or other allowances upon receiving the prescribed form duly completed and authorised by a Principal Officer.
- E4.11 To ensure that arrangements are in place for return of pension contributions and information to the administrators of the appropriate schemes, namely the Local Government Pension Scheme and Firefighter Pension Schemes 1996 and 2003.
- E4.12 To ensure that schemes of remuneration to current and former employees and Members, and any subsequent changes, are approved by the Fire and Rescue Authority/appropriate sub Committee prior to their implementation.
- E4.13 To take prompt action to recover and account for any overpayments to current or former employees in line with the overpayments policy
- E4.14 To ensure that any salary sacrifices, statutory payments, additional pay e.g. overtime is brought up to date prior to an employee leaving.
- E4.15 To ensure the Payroll Procedures are maintained and provide specific information on payment dates, overpayment procedures and pensioner payments.

Responsibilities of Managers

- E4.16 To make sure appointments are made in accordance with the regulations of the Authority and approved establishments, grades, and scale of pay, and that adequate budget provision is available.

- E4.17 To notify HR Services of all appointments, terminations, or variations that may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Director of Finance / Treasurer prior to the variation taking place to avoid under/overpayments. Employees should have one unique employee reference number for each separate employment contract they have with the Authority. Only those employees authorised to do so may approve appointments, terminations and variations to pay or pensions. A list of names of authorised officers is maintained by HR Services.
- E4.18 To make sure that adequate and effective systems and procedures are operated for personnel and payroll aspects, so that:
- payments are only authorised to bona fide employees and former employees.
 - payments are only made where there is a valid entitlement.
 - conditions and contracts of employment are correctly applied.
 - employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
 - there is an effective system of checking and certifying payroll forms.
- E4.19 To make sure that payroll transactions are processed only through the payroll system. Strategic Directors should give careful consideration to the employment status of individuals employed on a "self-employed consultant or sub contract" basis. The Inland Revenue applies a tight definition for employee status and, in cases of doubt, advice should be sought from the Director of Finance / Treasurer.
- E4.20 To certify travel and other allowances, where certification is taken to mean that journeys were authorised and necessarily incurred and allowances properly payable by the Authority, making sure that cost-effective use of travel arrangements is achieved. That where expenses have been incurred that they have been necessarily incurred and in line with policy and that VAT receipts are provided with the claim. Due consideration should be given to tax implications and the Director of Finance / Treasurer informed where appropriate. Claims should be submitted on a monthly basis.
- E4.21 To make sure that the details of any employee benefit in kind is notified to the Director of Finance / Treasurer to enable full and complete reporting to HMRC or to ensure that it is covered by the Fire Authority dispensation.

Responsibilities of Members

- E4.22 To submit claims for Members' travel and subsistence allowances, which are compliant with Authority policies and procedures, on a monthly basis and, in any event, within one month of the year-end.

E5. Taxation

Why is this important?

E5.1 Like all organisations, the Authority is responsible for making sure it pays the right amount of tax and National Insurance Contributions at the right time - tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all Managers to be aware of their responsibilities.

General

E5.2 The key controls on taxation are that procedures are in place which ensures that:

- all taxable transactions are identified, the tax liability properly assessed and accounted for within specified timescales.
- all statutory and other returns are made to the appropriate authorities within the specified timescales.
- all other statutory requirements are met.

Responsibilities of Director of Finance / Treasurer

- E5.3 To provide and maintain up to date guidance for staff on all taxation issues , including detailed processes to be followed and records to be maintained.
- E5.4 To complete all HM Revenue and Customs statutory returns regarding PAYE, benefits in kind, VAT and Construction Industry Tax Deduction Scheme.
- E5.5 To make sure that the impact on taxation of key decisions and strategies are anticipated and that the financial implications are set out in reports to the Authority.
- E5.6 To investigate and engage relevant bodies regarding the opportunities to recover previously paid tax, including the determination of risk/reward arrangements.

Responsibilities of Managers

- E5.7 To make sure that the correct VAT liability is attached to all income and that all VAT recoverable on purchases complies with HM Revenue and Customs Regulations.
- E5.8 To have procedures in place that can quickly identify VAT errors and where errors are discovered, to inform the Director of Finance / Treasurer in a timely manner so they can be disclosed to HM Revenue and Customs via our Service Level Agreement with Derbyshire County Council.

- E5.9 To make sure that all persons employed by the Authority are added to the Authority's payroll and tax deducted from any payments, except where the individuals are bona-fide self-employed or are employed by a recognised employee agency.
- E5.10 To make sure that records are kept of all benefits in kind provided to employees that are relevant for taxation purposes.
- E5.11 To determine the employment status (employee or self-employed) of all individuals engaged to provide a service before proceeding with the engagement.
- E5.12 To keep and preserve for a period of at least 6 years, records and accounts in a manner that will enable HMRC to check easily that all taxes have been properly accounted for.
- E5.13 To ensure that interest payments made to individuals and non-tax resident companies are identified and advised to the Director of Finance / Treasurer so they can be subject to tax at source.
- E5.14 To consult with and seek advice from the Director of Finance / Treasurer on the potential tax implications of any new initiatives for the delivery of Authority activity and services.
- E5.15 To ensure that any relocation allowances are paid in line with current HMRC guidelines.

F. EXTERNAL ARRANGEMENTS

F1. Work for Third Parties

Why is this important?

F1.1 Current legislation enables the Authority to provide services to other bodies.

General

F1.2 The key controls for working with third parties are that:

- proposals are properly costed, in accordance with guidance provided by the Director of Finance / Treasurer.
- no process is started that might lead to the Authority agreeing to do work for an outside body, whether public sector or otherwise, without first seeking the advice of the Solicitor / Monitoring Officer as to whether this is within the Authority's legal powers.
- contracts are drawn up using guidance provided by the Solicitor / Monitoring Officer and that the formal approvals process is adhered to.
- guidance is issued with regard to the financial aspects of third party contracts and the maintenance of the contract register.
- That the Authority has insurance cover for any potential liabilities that could arise to the recipient of the service and any third party, and that the cost of this has been included within overheads when calculating fees to be charged.

Responsibilities of Managers

F1.3 To ensure that risks are identified, evaluated and appropriate arrangements made to manage those risks before any arrangements are concluded.

F1.4 To make sure that relevant approval is obtained, before any negotiations are concluded to work for third parties.

F1.5 To ensure that the Authority does not enter into any agreement that is beyond its legal authority, in consultation with the Solicitor / Monitoring Officer.

F1.6 To make sure that the approval of Authority is obtained to the establishment of any company or incorporated body through which trading activities are to be undertaken.

F1.7 To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Director of Finance / Treasurer.

- F1.8 To make sure that appropriate insurance arrangements are made.
- F1.9 To make sure that the Authority is not put at risk from any bad debts.
- F1.10 To make sure that no contract is subsidised by the Authority.
- F1.11 To make sure that the Authority has the appropriate expertise to undertake the contract and to make sure that such contracts do not impact adversely upon the services provided for the Authority.
- F1.12 To make sure that all contracts are properly documented, including exit arrangements.

F2. Partnerships, Accountable Body Arrangements

Why is it important?

- F2.1 For the purposes of the Financial Regulations, Procedures and Standing Orders, a partnership means a group consisting of representatives from both external organisations and the Fire Authority which has responsibility for the management of funds. The Authority may or may not act as an Accountable Body.
- F2.2 Partnerships are being increasingly used as a delivery mechanism for existing and new services and funding streams. In those cases where the Authority acts as Accountable Body for large amounts of expenditure, the Authority is responsible for the financial regularity, probity and value for money of the funding streams involved.
- F2.3 It is possible for the Authority to enter into legal agreements on behalf of partnerships. It is important that appropriate procedures are put into place to protect the Authority as far as is practicably possible.

Responsibilities of Director of Finance / Treasurer

- F2.4 To sign financial agreements on behalf of the partnership. These include:
 - funding agreements with the funding organisation.
 - agreements transferring duties to other partnership organisations.
 - agreements to supply / commission other services from partnerships.
 - agreements with organisations receiving grant payments from the partnership.
- F2.5 To check and sign grant claims and statements of grant expenditure on behalf

of the partnership.

- F2.6 To advise on effective controls which will ensure that resources are used effectively, efficiently and not wasted.
- F2.7 To ensure that appropriate internal and external audit requirements are in place.
- F2.8 To ensure that payments are made to partnership organisations in accordance with any agreements in place.
- F2.9 To ensure that all funding notified by external bodies is received and properly recorded in the authority's accounts.
- F2.10 To ensure that the accounting arrangements to be adopted relating to partnerships are satisfactory.
- F2.11 To approve the Authority acting as an accountable body, in line with the limits set out in Appendix 1.
- F2.12 To ensure appropriate exit arrangements are in place regarding accountable body arrangements, including the distribution of any assets and liabilities.

Responsibilities of Managers

- F2.13 To ensure a Budget Manager / accountable officer is identified.
- F2.14 To ensure that approval is sought before entering into any partnership agreements where the Authority acts as Accountable Body in line with financial limits detailed in Appendix 1.
- F2.15 To undertake or determine, as part of the preliminary considerations for the possible formation of a partnership:
 - a financial appraisal of the viability of the proposed arrangement throughout its duration.
 - a risk appraisal is prepared before entering into any agreement.
 - the nature, level and timing of the Authority's contribution and commitment.
 - the responsibility for undertaking, and the detail of, the project's accounting and financial reporting arrangements.
 - the arrangements for accommodating the inability of any of the proposed partners to meet their financial or other obligations under the arrangements.

- the arrangements for dealing with any remaining assets or liabilities at the end of the arrangement.
 - the audit, security and other control arrangements which should all generally be in line with the requirements of the Authority's Financial Regulations, Procedures and Standing Orders.
 - that the arrangements will not impact adversely on the services provided by the Authority.
- F2.16 To ensure that appropriate management procedures are in place to enable the Authority to fulfil the requirements of any agreements entered into on behalf of the partnership.
- F2.17 To prepare any financial estimates relating to partnership arrangements and to agree these with the Director of Finance / Treasurer.
- F2.18 To ensure that appropriate budget approval is sought before entering into a partnership arrangement that commits Authority funding.
- F2.19 To ensure that monitoring arrangements are in place for both financial and non-financial performance measures and these operate to the satisfaction of the Director of Finance / Treasurer.
- F2.20 To ensure that accurate and appropriate Asset Registers are maintained in line with funding body requirements.
- F2.21 To ensure that an exit strategy is formally agreed, documented and signed by all partners, to include reference to any distribution of assets and liabilities.
- F2.22 To ensure compliance with the Authority's Standing Orders In Relation To Contracts (Section H) where the Authority is the lead or accountable body of the partnership.
- F2.23 To ensure that appropriate agreements are in place with partnership or grant receiving organisations which must:
- require the identification of an accountable manager;
 - reflect the conditions in any funding agreement entered into by the Authority with the funding organisation;
 - include a clear definition of duties and responsibilities;
 - include the requirement for a sound system of financial control for any funding allocated to the organisation;

- include a clear process for payment arrangements;
- include appropriate monitoring requirements;
- include procedures for dealing with any financial and non-financial irregularities;
- include clear procedures for recovery of any misappropriations or underspends of grant;
- include identification of any ineligible expenditure;
- include appropriate access for internal and external audit;
- include appropriate access to information required under the Freedom of Information Act 2000;
- compliance with EC procurement / commissioning arrangements;
- include a requirement that any transfer of duties to a third party are subject to the same conditions.

F3. Pooled Budget, Aligned Budgets and Joint Agreements

Why is it important?

- F3.1 With the increased focus on partnership delivery, some services are now being delivered jointly with other external organisations. In these cases budgets are often “pooled” whereby each organisation holds a ring-fenced amount for the specific use of the agreed purpose. Where this method of delivery is being undertaken it is important to ensure that advance arrangements are put into place to safeguard the Authority.
- F3.2 A pooled budget (or fund) is a single budget, managed by a single host with a formal partnership or joint funding agreement that sets out aims, accountabilities and responsibilities.
- F3.3 Aligned budgets and Joint Agreements involve the grouping together of separate budgets to improve the joint planning and deployment of resources by local partners. Decisions are taken collectively, through joint management arrangements, about the aligned budgets but the individual funds are still technically held within separate agency budgets to allow them to identify and account for their own contribution. Underspends /overspends are the responsibility of the separate agencies.

Responsibilities of Director of Finance / Treasurer

- F3.4 To agree financial procedure arrangements with the other parties.
- F3.5 To ensure that appropriate monitoring arrangements are in place for Authority expenditure.
- F3.6 To agree the process for managing inflationary and other budgetary pressures.
- F3.7 To agree the process for dealing with over and under spending.
- F3.8 To ensure that appropriate internal and external audit requirements are in place.

Responsibilities of Managers

- F3.9 To ensure that appropriate budget approval is sought before entering Authority funding into pooled budget agreement.
- F3.10 To ensure that governance and financial procedure arrangements are in place.
- F3.11 To prepare any financial estimates relating to partnership arrangements and to agree these with the Director of Finance / Treasurer.
- F3.12 To ensure that monitoring arrangements are in place for both financial and non-financial performance measures and that these operate to the satisfaction of the Director of Finance / Treasurer.
- F3.13 To observe any specific conditions set by the Authority.
- F3.14 To ensure that a written agreement is in place prior to commencement of the arrangement which clearly identifies:
 - a lead organisation for the arrangement;
 - a clear definition of duties and responsibilities;
 - the aims, objectives and outcomes of the arrangement;
 - the level of contribution from each partner and procedures for any variation to this amount;
 - what the funding is to be used for and the processes for agreeing any future variations or virements;
 - a sound system of financial control of budgets;

- the arrangements for payment between partnerships;
- any agreed processes for deciding future years budgets;
- appropriate financial and non-financial monitoring and reporting requirements;
- access agreements for internal and external audit if appropriate;
- appropriate access to information required under the Freedom of Information Act 2000;
- an agreed dispute resolution process.

F4. External Funding

Why is it important?

- F4.1 External funding is a very important source of finance, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Authority.
- F4.2 Funds from external sources provide additional resources to assist the Authority to deliver services to the local community and can include grants, contributions, donations or sponsorship.

General

- F4.3 The key controls for the use of external funding are that:
- funds are accepted only if they meet the priorities that have been approved by the Authority.
 - any match-funding requirements are given due consideration prior to entering into agreements and that revenue budgets reflect these requirements.
 - to ensure that key conditions of funding and any statutory requirements are complied with planned exit strategies are documented and maintained.

Responsibilities of Director of Finance / Treasurer

- F4.4 To ensure that all funding notified by external bodies is received, controlled and properly recorded in the Authority's accounts.
- F4.5 To ensure that procedures are in place so that all the financial implications, including VAT and long term issues, resulting from entering into external

funding agreements are identified and where exceptions have been negotiated by partners these are documented.

- F4.6 To maintain a record of expected grants in liaison with Managers.
- F4.7 To investigate ways of maximising grant income.
- F4.8 To account for any non-specific Government Grants received and receivable and submitting any required returns in respect of these.
- F4.9 To provide guidelines and advice to Managers as to minimum standards for recording and evidencing grant expenditure in order to meet grant conditions and external audit requirements.
- F4.10 To ensure that audit requirements are met.
- F4.11 To produce guidelines for bidding and accepting external funding.

Responsibilities of Managers

- F4.12 The decision to make an application for external funding should only take place after assurance is obtained that the input required from the Authority is within its legal remit and in pursuit of its policy goals.
- F4.13 To ensure that all claims for funds are made by the due date.
- F4.14 To ensure that the match-funding requirements are considered prior to entering into the agreements, that future revenue funds are able to meet these requirements and the appropriate approval has been received.
- F4.15 To ensure that the impacts of any reducing or cessation of external contributions or other liabilities are reflected at the appropriate time in the Authority's Medium Term Financial Strategy.
- F4.16 To ensure that the arrangements for dealing with income from external funding agencies, together with the relevant general requirements of the Financial Regulations, Procedures and Standing Orders, are communicated to, understood and applied by staff involved in the process.
- F4.17 In relation to sponsorship ensure that the appropriate Sponsorship criteria form is completed and VAT implications are agreed with Finance Manager prior to entering into an agreement.
- F4.18 To ensure that the project progresses in accordance with the agreed project plan, and that all expenditure is properly incurred and recorded.
- F4.19 To identify the cost of administration by the Authority of the funding and where appropriate to recover these costs from the funding.

- F4.20 To ensure that necessary approvals are obtained before external funding agreements are concluded.
- F4.21 To ensure that the conditions of external funding agreements and any statutory requirements are complied with.
- F4.22 To account for specific Government Grants received and receivable and submitting any required returns in respect of these.
- F4.23 To ensure any grant claims requiring signature of the Director of Finance / Treasurer are provided in a timely manner and accompanied by all relevant supporting documentation to enable the claim to be authorised by the required deadline.
- F4.24 To liaise with the External Auditor as required during audit certification.
- F4.25 To ensure the Director of Finance / Treasurer is notified of any grant bid, and final grant approvals.

G1. Freedom of Information

Why is it important?

G1.1 The Freedom of Information Act 2000 creates a public right of access to information held by public authorities with two exemptions, Absolute Exemptions and Qualified Exemptions.

General

G1.2 An employee who takes the view that information they have been asked to provide falls, or may fall, into one of the exemption categories should contact the Solicitor / Monitoring Officer for advice. This should be done promptly to ensure the Authority responds within prescribed timescales laid down by statute.

G1.3 Absolute Exemptions relates to requested information which does not have to be released and falls into the following categories:

- Information accessible to the applicant by other means;
- Information supplied by or relating to bodies relating to security matters;
- Court records;
- Parliamentary privilege;
- Prejudice to the effective conduct of public affairs – absolute for Parliamentary matters only, for this Authority the public interest test applies;
- Personal information – an individual's requests for information on themselves is absolutely exempt as they must be dealt with under the provisions of the Data Protection Act, requests by third parties are subject to the public interest test;
- Information provided in confidence – where a breach of that confidence would be actionable;
- Disclosure of information that is prohibited by any other enactment or would be a contempt of court.

G1.4 Qualified Exemptions relates to request where a judgement on the balance of public interest is required before a decision on whether to accedes to a request. Public Interest Test covers the following:

- Commercial Interests – information which if disclosed would, or would be likely to, prejudice the commercial interests of any person including the Authority;
- Information intended for future publication;
- National security in instances not dealt with by the absolute exemption;
- Defence;
- International relations;
- Relations within the UK;

- Investigations and proceedings conducted by public authorities;
- Law enforcement generally;
- Information held by auditors to public authorities;
- Formulation of government policy;
- Prejudice to effective conduct of public affairs – a decision in this area must be made by a minister of the crown or their nominee;
- Communication with the Royal Household;
- Health and safety – where disclosure would be likely to endanger the physical or mental health or safety of an individual;
- Environmental information;
- Legal professional privilege.

H Standing Orders In Relation To Contracts

H1. Part 1 SO1 Application

SO1 Application

H1.1 Every contract made by or on behalf of the Authority shall comply with the law of England, Public Procurement Regulations 2014, these Standing Orders and the Authority's Financial Regulations, Procedures and Standing Orders.

H1.2 In addition to Service Financial Regulations, Procedures and Standing Orders, the UK Public Contracts Regulations 2006 (as amended) and the EU Public Procurement Directive must be adhered to for procurements in excess of predetermined thresholds. These regulations are based on the underlying principles of non-discrimination and equality of opportunity on the grounds of nationality, transparency and competitive procurement.

SO2 Exemption

H1.3 Any requirement of these Standing Orders may be waived by the Authority, a committee or sub-committee only where they are satisfied that there are special circumstances justifying exemption and such exemption shall be recorded in the Minutes. Special circumstances may include situations where the procurement exercise has been conducted externally.

H2. PART II Contents of Contracts

SO3 Contract Conditions

H2.1. Every contract shall:

- be in writing in a form approved by the Solicitor / Monitoring Officer.
- be executed under seal when required by the Solicitor / Monitoring Officer.
- specify the subject matter, price (and any discount or deduction), contract period and such other terms as are agreed.
- contain a clause permitting cancellation in circumstances of corruption.
- require compliance with any appropriate British Standard Specification or Code of Practice or other equal and approved European standard.
- indemnify the Authority against any claim which may be made in respect of personal injury to any person unless due to the negligence of the

Authority and against any claim for damage to property due to the negligence of the contractor and the contractor shall when required produce satisfactory evidence that he/she is insured against such claims.

- Include the following clause:- "the award of this contract shall not entitle the contractor to endorse its products by reference in any way to the Derbyshire Fire and Rescue Authority nor shall the contractor exhibit or display for advertisement or otherwise any goods, equipment or vehicles to be supplied under the contract to the Authority and which can be identified with the Authority (whether the property in such goods, equipment or vehicles shall have passed to the Authority or not) without the written consent of the Authority".

H2.2 Where, following consultation with the Solicitor / Monitoring Officer and Director of Finance / Treasurer, it is considered appropriate a contract shall:

- contain a clause requiring payment of liquidated damages if the contractor fails to complete the contract in time.
- be supported by sufficient security for due performance.

H3 PART III Competition

SO4 Invitation of Tenders

H3.1 Where the estimated value or amount of a proposed contract exceeds £50,000 tenders shall be invited from suppliers on lists compiled under the selective tendering procedure in accordance with the procedure set out in Standing Order 5 or by public notice in accordance with the open tendering procedure set out in Standing Order 6.

H3.2 For the purposes of this Standing Order a proposed contract includes any series of contracts:

- awarded under an annual or periodic standing arrangement with one supplier, or
- which should reasonably be treated as one contract.

H3.3 Where the estimated value of a proposed contract does not exceed £5,000, written quotations shall be invited from at least one supplier considered competent to perform the contract. A record of the quotation shall be retained and attached to the requisition.

H3.4 Where the estimated value of a proposed contract is between £5,001 and £50,000 alternative quotations shall be invited from at least three suppliers considered competent to perform the contract. . The only exemption to this is

when an approved framework exists; in this case other documentation will be required. A copy of all 3 quotes should be sent to the Procurement Department, the awarding quote to be attached to the supplier details held in the contract database. Where the Chief Fire Officer/Chief Executive considers that this is impractical, arrangements for inviting tenders or negotiating contracts under competitive conditions shall be in accordance with procedures agreed with the Director of Finance/Treasurer.

H3.5 Where works can only be performed by a specialist supplier or may be required urgently, they shall be regarded as exempt from this Standing Order but the making of the contract shall be reported to the Authority.

S05 Selective Tendering

H3.6 Tenders shall be invited from not less than three suppliers.

H3.7 The selection of suppliers invited to tender shall be made by three individuals together, including the Chief Fire Officer / Chief Executive or his nominee where the value of the contract exceeds the current valid OJEU threshold,

S06 Open Tendering

H3.8 Tenders shall be invited by giving at least 10 days prior notice. The notice shall express the nature and purpose of the contract, state where further details may be obtained, and state the last date and time when tenders will be received or in the event of an OJEU tender, in accordance with the requirements under the OJEU.

S07 Submission and Opening of Tenders

H3.9 An invitation to tender shall state clearly the closing date and time for receipt of tenders and that:

- The Authority do not bind themselves to accept the lowest or any Tender.
- No tender will be accepted unless it is enclosed in the special envelope (bearing the distinctive label supplied with the tender form) properly sealed and addressed to the Chief Fire Officer / Chief Executive and either sent by post or delivered by hand.
- Proof of posting will-not be accepted as proof of delivery if the tender fails to arrive at the address shown on the tender envelope label before the closing date and time.

- H3.10 No tender received after the closing date and time shall be considered. (Any such tender will be returned to the tenderer by the Chief Fire Officer / Chief Executive).
- H3.11 Tenders shall be kept in the custody of the Chief Fire Officer / Chief Executive or representative until the time and date specified for their opening.
- H3.12 Tenders shall be opened at one time, which shall be as soon as possible after the closing time, and only in the presence of three employees appointed by the Chief Fire Officer / Chief Executive. Those employees shall certify a list of tenders received.
- H3.13 Where all or some tenders are received electronically procedures must be in place to ensure that the tender opening proceeds as described in paragraph 4 of this standing order.
- H3.14 The Chief Fire Officer / Chief Executive may nominate another employee to discharge his responsibilities under this Standing Order.

SO8 Acceptance of Tenders

- H3.15 Where tenders have been received in accordance with Standing Order 7 a tender of any value may be accepted by a Principal Officer except where it is proposed to accept other than the lowest or most economically advantageous tender. Where it is proposed to not accept the lowest tender or most economically advantageous tender Principal Officers can approve up to the value of £100k and Fire and Rescue Authority approval must be sought on values over £100k. All tenders accepted by Principal Officers must be reported to the earliest possible meeting of the Fire and Rescue Authority.
- H3.16 A list of tenders received identifying the tender accepted shall be kept for inspection by Members of the Authority.

SO9 Alteration of Tenders

- H3.17 Where errors are found in the priced tender documents, the tenderer will be given details of the errors and given the opportunity of amending, confirming or withdrawing the tender.

SO10 Nomination of Sub-Contractors and Suppliers

- H3.18 Where a contract provides for the nomination of a Sub-Contractor or Supplier by the Chief Fire Officer/Chief Executive, they shall invite tenders from not less than 3 suppliers considered competent, unless:
- the estimated value of the nominated work does not exceed the current valid OJEU threshold and the Chief Fire Officer / Chief Executive considers that only one supplier is competent for the purpose or that it is in the

interest of the Authority as a matter of urgency to dispense with the requirement to invite tenders, or

- the Authority dispense with the requirement to invite tenders.

H4 Clause Concerning Corruption

H4.1 If the contractor shall have offered or have given, or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do, or for having done or forborne to do any action in relation to the obtaining or execution of this contract or any other contract with the Authority, or for showing or forbearing to show favour or disfavour to any person in relation thereto, or if the like acts shall have been done by any person employed by it or acting on its behalf (whether with or without the knowledge of the contractor) or if in relation to any contract with the Authority the Contractor or any person employed by it or acting on its behalf shall have committed any offence under the Prevention of Corruption Acts 1889 to 1916 or shall have given any fee or reward the receipt of which is an offence under sub-section (2) of Section 117 of the Local Government Act 1972 the Authority shall be entitled to cancel this contract and to recover from the contractor the amount of any loss resulting from such cancellation

APPENDIX 1

FINANCIAL LIMITS AND RESPONSIBILITIES

	Amount	Reference
USE OF EARMARKED RESERVES		
Chief Fire Officer / Chief Executive may approve the use of earmarked reserves, in line with the original intended use up to:	£100,000	C1 / C2
Any use of Authority reserves or where reserves are to be used for an alternative purpose to their original intention must be approved by Authority Fire Authority over:	£100,000	
APPROVAL OF NEW CAPITAL SCHEMES		C3
Subject to funding being available and an appropriate business case being made, new capital schemes may be approved by:		
Area Manager / Director of Finance/Treasurer	£0 - £50,000	
Principal Officer / Director of Finance/Treasurer	£50,001 £100,000	-
Fire Authority	>£100,000	
Any schemes encompassing more than one year require the approval of Fire Authority.		
CAPITAL MONITORING CONTROL		C3
Subject to funding being available, approval to vary the cost and phasing of capital schemes within the overall capital programme should be obtained from:		
• For schemes up to £1m		
○ Area Manager / Director of Finance/Treasurer	£0 - £50,000	
○ Principal Officer / Director of Finance/Treasurer	£50,001 £100,000	-
○ Fire Authority	>£100,000	

- For schemes over £1m
 - Area Manager / Director of Finance/Treasurer £0 - £50,000
 - Principal Officer / Director of Finance/Treasurer £50,001 - £200,000 -
 - Fire Authority >£200,000

VIREMENT

- Area Manager approval required for virements in any one budget group for amounts up to: £50,000
- Principal Officer approval required for virements in any one budget group £50,001 - £100,000 -
- Principal Officer approval where it is within a programme previously agreed and virement is across financial years +£100,000 C4
- Fire Authority approval where the virement is not within an agreed programme +£100,000

LEASE AGREEMENTS

- Area Manager authorisation £0 - £50,000 D8.24 to D8.36
- Principal Officer authorisation +£50,000

WRITE OFF OF OUTSTANDING DEBT

- A Principal Officer, Director of Finance / Treasurer or Solicitor / Monitoring Officer may, write-off individual debts or remit charges: £0 - £10,000 E2
- Fire Authority may, write-off individual debts or remit charges +£10,000

INSURANCE

- Chief Fire Officer / Chief Executive can settle a claim against the Authority by its employees where there is no legal liability for damage / loss of property in course of duties £0 - £5,000 D3.4

Chief Fire Officer / Chief Executive can settle a claim against the Authority by its employees where there is no legal liability in respect insurance claim excess for damage to personal property arising from attendance at an operational incident.	£0 - £1,000	D3.5
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WRITE-OFF OF STOCK DISCREPANCIES, REDUNDANT STOCK AND EQUIPMENT

A Principal Officer or Director of Finance / Treasurer may write off discrepancies or dispose of redundant or obsolete stocks and equipment:	£0 - £10,000	D8
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Fire Authority may write off discrepancies or dispose of redundant or obsolete stocks and equipment:	+£10,000	
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IMPREST ACCOUNTS

Minor items of expenditure met from imprest accounts	<£20	D7
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COUNTER SIGNATURE FOR CHEQUES / ONLINE BANKING AUTHORISATIONS

- | | | |
|--|----------|--|
| <ul style="list-style-type: none"> • Authorised counter-signature as per the bank mandate required for cheques and online banking authorisations: | +£15,000 | |
|--|----------|--|

WORK FOR THIRD PARTIES

- | | | |
|---|----------|----|
| <ul style="list-style-type: none"> • Approval of the Director of Finance / Treasurer for agreements up to: | £100,000 | F1 |
| <ul style="list-style-type: none"> • Approval of Fire Authority for agreements over: | £100,000 | |

ACCOUNTABLE BODIES

- | | | |
|---|----------|----|
| <ul style="list-style-type: none"> • Approval of the Director of Finance / Treasurer for agreements up to: | £100,000 | F2 |
| <ul style="list-style-type: none"> • Approval of Fire Authority for agreements over | £100,000 | |

GRANTS OR LOANS TO £100,000
VOLUNTARY/EXTERNAL BODIES F2

- Approval of the Chief Fire Officer / Chief Executive for grants or loans up to £100,000+
- Fire Authority approval is obtained for any decision involving the making of a grant or loan to any voluntary / external body

POOLED BUDGETS, ALIGNED BUDGETS AND JOINT AGREEMENTS

Fire Authority approval is required for £100,000 F3
pooled/aligned / joint budget arrangements where the Authority's commitment is above.

A list of authorised order approvers is maintained by the Director of Finance / Treasurer. In all cases authorisation should only take place after sufficiency of budget has been established and Financial Regulations, Procedures and Standing Orders have been duly followed.

Appendix 2 Tenders and Placing Orders

Value	Tendering		Acceptance of Tenders	Placing Order
More than £ 100,000	Invitations to Tender by Public Notice SO4 (1)	CFO/CE or Nominee plus Chair or Vice Chair and One Employee to Select SO5 (3)	Principal Officer to Accept Unless Not Most Economical Bid then Principal Officer to approve for up to £100,000 and Fire and Rescue Authority to Accept for contract values greater than £100,000 SO8 (1)	Principal Officer in consultation with the Chair Secondary approval by Director of Finance/Treasurer <i>Fin Regs (Ordering and Paying for Work) E3</i>
£ 50,001- £100,000		3 Employees Including CFO/CE or his Nominee to Select SO5 (3)		
£10,000 - £50,000	3 Written Quotations SO4 (4)		Appropriate Officer	Group Manager / Head of Department to authorise with secondary approval by Area Manager <i>Fin Regs (Ordering and Paying for Work) E3</i>
£10,000				
£5,001 - £9,999	3 Written Quotations SO4 (4)		Appropriate Officer	Group Manager/Head of Department/Budget Manager to authorise
£500 - £5,000	1 Written Quotation SO4 (3)		Appropriate Officer	<i>Fin Regs (Ordering and Paying for Work) E3</i>
£0 - £500	1 Written Quotation SO4 (3)		Appropriate Officer	Station Manager or deputised Budget Manager <i>Fin Regs (Ordering and Paying for Work) E3</i>

APPENDIX 3

Retention of Financial Records

Description	Retention Period (Years in addition to current year)	Location of Records		Responsible Officer
Accountancy/Financial				
Budget Papers/Estimates/Reconciliations	5	Corporate Services	Financial	Accountant
Costing Records	5	Corporate Services	Financial	Accountant
Revenue Financial Trial Balance Report	8	Corporate Services	Financial	Accountant
Capital Financial Trial Balance Report	8	Corporate Services	Financial	Accountant
Monitoring Statements	8	Corporate Services	Financial	Accountant
Journals	5	Corporate Services	Financial	Assistant Accountant
Closing Down Records	5	Corporate Services	Financial	Accountant
VAT Claims	5	Corporate Services	Financial	Finance Manager
Bank Related Records				
Bank paying-in books/slips	5	Corporate Services	Financial	Finance Manager
Bank Reconciliation	5	Corporate Services	Financial	Assistant Accountant
Bank Statements	5	Corporate Services	Financial	Assistant Accountant
Record of Stopped/Cancelled Cheques	5	Corporate Services	Financial	Finance Manager
Cheque Books and Counterfoils	3	Corporate Services	Financial	Finance Manager
Cheque Payment Listings	3	Corporate Services	Financial	Finance Manager
BACs listings	3	Corporate Services	Financial	Finance Manager
Creditor Records				
Copy Orders	5	Corporate Services	Financial	Finance Manager
Credit Notes	5	Corporate Services	Financial	Finance Manager
Creditor Invoices	5	Corporate Services	Financial	Finance Manager

Description	Retention Period (Years in addition to current year)	Location of Records		Responsible Officer
Delivery Notes	5	Corporate Services	Financial	Finance Manager
Imprest Documentation including receipts	5	Corporate Services	Financial	Finance Manager
Credit Card Statements & Receipts	5	Corporate Services	Financial	Finance Manager
Income Records				
Debtors Accounts	5	Corporate Services	Financial	Finance Manager
Reminder Letters & Correspondence	5	Corporate Services	Financial	Finance Manager
Write off authorisations/records	5	Corporate Services	Financial	Finance Manager
Income Schedules	5	Corporate Services	Financial	Finance Manager
Income Receipts	5	Corporate Services	Financial	Finance Manager
Till Rolls	5	Corporate Services	Financial	Finance Manager
Insurance Records				
Expired Insurance Contracts	Indefinitely	Corporate Services	Financial	Accountancy Assistant
Insurance Claims	5	Corporate Services	Financial	Accountancy Assistant
Insurance Policy Documentation	Indefinitely	Corporate Services	Financial	Accountancy Assistant
Payroll records				
Mileage Claims	3	Corporate Services	Financial	Payroll Manager
Travel/Expense Claims	3	Corporate Services	Financial	Payroll Manager
Member Allowances	5	Corporate Services	Financial	Payroll Manager
Leavers	10	HR - PRF		Office Manager Service Centre
Starters	6	HR - PRF		Office Manager Service Centre
Sickness records for leavers	10	HR - PRF		Office Manager Service Centre
BACS Payment Confirmations	3	Corporate Services	Financial	Payroll Manager
Payroll Download (Electronic files)	5	Corporate Services	Financial	Payroll Manager

Description	Retention Period (Years in addition to current year)	Location of Records	Responsible Officer
Payroll Deduction journals	5	Corporate Services Financial	Finance Manager
Overtime returns	6	Corporate Services Financial	Payroll Manager
Absence Returns	6	HR - PRF	Office Manager Service Centre
P11Ds	6	Corporate Services Financial	Payroll Manager
Training Allowances	6	HR - PRF	Office Manager Service Centre
Other Records			
Inventory Records	For life of Asset	Procurement	Procurement Officer

Retention of Records – When disposing of Financial Records they must be disposed of in a secure manner, either incinerated or shredded

APPENDIX 4

Glossary of Financial Terms and Abbreviations contained within the Financial Regulations, Procedures and Standing Orders

Term	Description
Account Code	Part of the coding structure used to identify the type of expenditure or income, e.g. furniture
Accounting Policies	Accounting policies define the process whereby transactions and other events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or a loss is to be recognised; the basis on which it is to be measured; and where in the revenue account or balance sheet it is to be presented. Accounting policies do not include estimation techniques.
Area Manager	Area Managers including the Director of Finance / Treasurer and Solicitor / Monitoring Officer
Asset	An asset is anything that is owned by the Authority that has a value.
Authority	Derbyshire Fire and Rescue Authority
Authorised Signatory	An employee nominated to perform that duty whose name is held on the appropriate list.
Bad Debt	Money owed to the Authority that is unlikely to be paid.
Best Value	Statutory obligation to make proper arrangements to secure continuous improvement, having regard to a combination of efficiency, effectiveness and economy.
Budget	Sum of money allocated for a particular purpose.
Budgetary Control	The process of ensuring actual expenditure and income does not exceed the budget available and taking corrective action where variances are identified.
Budget Monitoring	The process of reviewing actual expenditure or income against the sum allocated for the year enabling action to be taken to reallocate budgets to or from other budget lines in a timely manner where variances are found.
Capital Expenditure	Money spent to either acquire or improve an asset owned by the Authority which will be used over a period of years or money awarded to a third party towards an asset owned by them for example a grant to improve their property.
Capital Programme	The Authority's capital expenditure plans for the next few years. The capital programme will show the anticipated cost, usually on a

	scheme by scheme basis, and how it intends to finance this.
Capital Receipts	Income received from the sale of Authority land or other assets, the acquisition of which would meet the definition of capital expenditure.
CIPFA	The Chartered Institute of Public Finance and Accountancy. This body is responsible for interpreting accounting standards and recommending working practices to be followed by all local authorities.
Commitments	A commitment arises when an order is raised to purchase goods or services but the goods or services have not yet been received.
Contract	A contract for the execution of works or the supply of goods, materials or services (except services of a professional or technical nature).
Cost Centre	Objective element of the coding structure which identifies which function in the Authority has incurred expenditure, e.g. Ilkeston Fire Station.
Creditor	A person or organisation that delivers or supplies a service or product to the Authority in exchange for cash.
Debtor	A person or organisation that receives a service or product from the Authority in exchange for cash.
Director of Finance / Treasurer	S112 Officer under the Local Government Act 1972
Earmarked Reserve	Money allocated for a specific purpose which will be spent in a future year.
Financial Regulations, Procedures and Standing Orders	A written code of procedures approved by the Authority, intended to provide a framework for proper financial management. Financial Regulations, Procedures and Standing Orders set out rules on accounting, audit, administrative procedures and budgeting systems.
Financial Year	A financial year runs from 1 April to 31 March.
Fixed Asset	An asset intended to be held for a period of more than one year, such as a machine or building.
Forecast	A prediction of spend for future months/years.
General Ledger	The general ledger is the main accounting record of the Authority. It is a library of financial transactions.
Grants	Income received by the Authority to support the undertaking of

	Authority services or to support the capital programme. Grants may have terms and conditions as to use attached.
Imprest Account	This is a separate bank account, with a cheque book facility, to which an advance is made to facilitate quick payment for small items.
Internal Control	The system of control devised by management to help ensure the Authority's objectives are achieved in a manner which promotes economical, efficient and effective use of resources and that the Authority's assets and interests are safeguarded.
Lease	An asset not owned by the Authority but which the Authority has an agreement to use in providing its day to day services in return for a regular cash payment.
Medium term Financial Strategy	A document outlining the Authority's spending plans and forecast resources over the next three years.
Money Laundering	The term used where an individual uses legal payment routes to pass off income earned from illegal activities or to avoid the payment of Government taxes. .
Most Economically Advantageous Tender	The tender that will bring the greatest benefit to the Authority taking a number of factors into consideration, including quality and cost.
Overspend	This is where the actual expenditure exceeds the budget for the same period.
Petty Cash	A small amount of cash held by departments and available to purchase minor items of expenditure such as postage stamps.
Principal Officer	Chief Fire Officer / Chief Executive, Deputy Chief Fire Officer.
Provisions	An amount set aside by the Authority to meet a known item of expenditure but for which the actual timing and amount of the payment is not known.
Reserve	Money set aside for future policy initiatives.
Revenue Expenditure	Expenditure incurred by the Authority on a day to day basis in the provision of services to the public.
Risk Management	The planned and systematic approach to the identification, evaluation and control of risk.
Section 151 Officer	Under section 151 of the Local Government Act 1972 each Authority is required to have a nominated Officer with responsibility to ensure the proper administration of the Authority's financial affairs. At Derbyshire this role is undertaken by the Director of Finance /

	Treasurer. This Officer must be a member of a professional accountancy body. The Section 151 Officer is the Section 112 Officer in a Fire and Rescue Service.
Statement of Accounts	Public Bodies are required to produce an annual Statement of Accounts which show how the Authority has spent its money and what resources and reserves it has available. The Statement of Accounts includes the Authority's statutory income and expenditure account, its balance sheet and a cash flow statement.
Solicitor / Monitoring Officer	The solicitor is the Service's legal advisor but also performs the statutory role of Monitoring Officer and Clerk to the Fire and Rescue Authority
Treasury Management	The term used to describe the Authority's management of its cash, investments and borrowing requirements.
Value Added Tax (VAT)	Tax levied on goods and services.
Variation	A variation is an increase or decrease in a budget after the budget has been approved at the start of the year.
Virement	A switch of resources between Cost Centres or budget lines within a Cost Centre