

# **Financial Regulations**

Sally Murton / 80162 / Current Constitution / Financial Regulations  
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# Contents

1. Introduction	4
2. Financial Regulations for South Wales Fire & Rescue Authority	6
3. Status of Financial Regulations	7
4. Financial Regulations	
A: Financial Management	9
B: Financial Planning	15
C: Risk Management and Control of Resources	19
D: Systems and Procedures	23
E: External Arrangements	25
Appendices: Financial Procedures	27
Appendix A: Financial Management	28
Financial Management Standards	28
Managing Expenditure	30
Accounting Policies	34
Accounting Records and Returns	36
The Annual Statement of Accounts	38
Appendix B: Financial Planning	40
Performance Plans	40
Budgeting	42
Maintenance of Reserves	53
Appendix C: Risk Management and Control of Resources	54
Risk Management	54
Internal Controls	57
Audit Requirements	59

Preventing Fraud and Corruption	63
Assets	65
Treasury Management	71
Staffing	74
Appendix D: Financial Systems and Procedures	76
General	76
Income and Expenditure	79
Taxation	92
Trading Accounts and Business Units	
Appendix E: External Arrangements	94
Partnerships	94
External Funding	97
Work for Third Parties	99

# Introduction

<p><b>Financial regulations</b></p> <p>To conduct its business efficiently, an Authority needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is the establishment of financial regulations that set out the financial policies of the Authority. A modern Authority should also be committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.</p>	<p>FA 18.5.09 Min No. 150</p>
<p>The financial regulations provide clarity about the financial accountabilities of individuals – Fire &amp; Rescue Authority Members, the Chief Fire Officer, the Monitoring Officer, the Treasurer and other Principal officers. Each of the financial regulations sets out the overarching financial responsibilities.</p>	<p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>
<p>Beyond the scope of this document, the Authority should link financial regulations with other internal regulatory documents forming part of the Authority’s constitution. For example, Contract Standing Orders, Schemes of Delegation, and Employee Codes of Conduct, which may include specific issues such as use of the Internet.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Financial procedures</b></p> <p>Following formal approval and adoption of the financial regulations, the Authority will need to consider how they are to be implemented. In particular, authorities need to consider detailed financial procedures setting out the responsibilities of the Treasurer and Principal Officers. The financial procedures attached at Appendices A to E provides details of how the Authority chooses to interpret the financial regulations for its own purposes.</p>	<p>FA 18.5.09 Min No. 150</p>
<p>Each section of the financial procedures follows the format set out below:</p> <p>why is this important?</p> <ul style="list-style-type: none"> <li>– this sets the context for the financial procedures</li> </ul> <p>key controls</p>	<p>FA 18.5.09 Min No. 150</p>

– this explains the key internal controls that set the framework for ensuring financial regulations are operating effectively

responsibilities of the Treasurer

responsibilities of Principal Officers.

<h1>Financial Regulations for South Wales Fire &amp; Rescue Authority</h1>	
<p>Background</p> <p>2.1 South Wales Fire &amp; Rescue Authority is the largest Fire &amp; Rescue Authority in Wales. It has a population of 1.6 million and an area of 281,023 hectares. It provides a diverse range of services to its residents.</p>	<p>FA 18.5.09 Min No. 150</p>

<h1>Status of Financial Regulations</h1>		
3.1	Financial regulations provide the framework for managing the Authority's financial affairs. They apply to every Member and officer of the Authority and anyone acting on its behalf.	FA 18.5.09 Min No. 150
3.2	The regulations identify the financial responsibilities of the Fire & Rescue Authority Members, the Head of Paid Service, the Monitoring Officer, the Treasurer and other Principal Officers. Members and Principal Officers should maintain a written record where decision making has been delegated to members of their staff, including seconded staff. Where decisions have been delegated or devolved to other responsible officers, references to the principal officer in the regulations should be read as referring to them.'	FA 18.5.09 Min No. 150
3.3	All members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.	FA 18.5.09 Min No. 150
3.4	The Treasurer is responsible for maintaining a continuous review of the financial regulations and submitting any additions or changes necessary to the Fire & Rescue Authority for approval. The Treasurer is also responsible for reporting, where appropriate, breaches of the financial regulations to the Fire & Rescue Authority.	FA 18.5.09 Min No. 150
3.5	The Authority's detailed financial procedures, setting out how the regulations will be implemented, are contained in the appendices to the financial regulations.	FA 18.5.09 Min No. 150
3.6	Principal officers are responsible for ensuring that all staff in their departments are aware of the existence and content of the Authority's financial regulations and other internal regulatory documents and that they comply with them. They must also ensure that an adequate number of copies are available for reference within their departments.	FA 18.5.09 Min No. 150
3.7	The Treasurer is responsible for issuing advice and	FA 18.5.09

guidance to underpin the financial regulations that Members, officers and others acting on behalf of the Authority are required to follow.

Min No. 150

<h1>Financial Regulations</h1>	
<b>FINANCIAL REGULATION A: FINANCIAL MANAGEMENT</b>	FA 18.5.09 Min No. 150
<b>INTRODUCTION</b> <b>A.1</b> Financial management covers all financial accountabilities in relation to the running of the Authority, including the policy framework and budget.	FA 18.5.09 Min No. 150
<b>THE FIRE &amp; RESCUE AUTHORITY</b> <b>A.2</b> The Fire & Rescue Authority is responsible for adopting the Authority's constitution and Members' Code of Conduct and for approving the policy framework and budget within which the service operates. It is also responsible for approving and monitoring compliance with the Authority's overall framework of accountability and control. The framework is set out in its constitution. The Fire & Rescue Authority is also responsible for monitoring compliance with the agreed policy and related executive decisions.	FA 18.5.09 Min No. 150
<b>A.3</b> The Fire & Rescue Authority is responsible for approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the Authority and its committees. These delegations and details of who has responsibility for which decisions are set out in the constitution.	FA 18.5.09 Min No. 150
<b>THE SENIOR MANAGEMENT TEAM</b> <b>A.4</b> The Senior Management Team is responsible for proposing the policy framework and budget to the Fire & Rescue Authority, and for discharging their decisions in accordance with the policy framework and budget.	FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09

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<b>COMMITTEES OF THE AUTHORITY</b>	
<p>Finance, Audit and Performance Management Committee</p> <p><b>A.5</b> The committee reports to the Fire &amp; Rescue Authority. It has right of access to all the information it considers necessary to carry out its scrutiny function and can consult directly with internal and external auditors. The committee is responsible for reviewing the external Auditor's reports and the Annual Audit Letter and Internal Audit's Annual Report.</p>	<p>FA 18.5.09 Min No. 150</p>
<p>Standards committee</p> <p><b>A.6</b> The Standards Committee is established by the Fire &amp; Rescue Authority and is responsible for promoting and maintaining high standards of conduct amongst members. In particular, it is responsible for advising the Authority on the adoption and revision of the Members' Code of Conduct, and for monitoring the operation of the Code.</p>	<p>FA 18.5.09 Min No. 150</p>
<b>THE STATUTORY OFFICERS</b>	
<p>Head of Paid Service (Chief Fire Officer)</p> <p><b>A.7</b> The Head of Paid Service is responsible for the corporate and overall strategic management of the Authority as a whole. He or she must report to and provide information for the Senior Management Team, the Fire &amp; Rescue Authority, the Finance, Audit and Performance Management committee and other committees. He or she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Head of Paid Service is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to all the Fire &amp; Rescue Authority's decisions (see below).</p>	<p>FA 18.5.09 Min No. 150</p> <p>DLAICT del. 7.1.6 31/08/09</p>
<p>Monitoring Officer (ACO Corporate Support)</p> <p><b>A.8</b> The Monitoring Officer is responsible for promoting and maintaining high standards of financial conduct and therefore provides support to the standards committee. The Monitoring Officer is also responsible for reporting</p>	<p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>

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	any actual or potential breaches of the law or maladministration to the Fire & Rescue Authority, and for ensuring that procedures for recording and reporting key decisions are operating effectively.	
<b>A.9</b>	The Monitoring Officer is responsible for advising all councillors and officers about who has Authority to take a particular decision.	FA 18.5.09 Min No. 150
<b>A.10</b>	The Monitoring Officer is responsible for advising the Fire & Rescue Authority about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.	FA 18.5.09 Min No. 150
<b>A.11</b>	<p>The Monitoring Officer (together with the Treasurer) is responsible for advising the Fire &amp; Rescue Authority about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:</p> <ul style="list-style-type: none"> <li>▪ initiating a new policy</li> <li>▪ committing expenditure in future years to above the budget level</li> <li>▪ incurring interdepartmental transfers above virement limits</li> <li>▪ causing the total expenditure financed from constituent authorities, grants and corporately held reserves to increase, or to increase by more than a specified amount.</li> </ul>	FA 18.5.09 Min No. 150
<b>A.12</b>	The Monitoring Officer is responsible for maintaining an up-to-date constitution.	FA 18.5.09 Min No. 150

<p>Treasurer</p> <p><b>A.13</b> The Treasurer has statutory duties in relation to the financial administration and stewardship of the Authority. This statutory responsibility cannot be overridden. The statutory duties arise from:</p> <ul style="list-style-type: none"> <li>▪ Section 151 of the Local Government Act 1972</li> <li>▪ The Local Government Finance Act 1988</li> <li>▪ The Local Government and Housing Act 1989</li> <li>▪ The Accounts and Audit Regulations (Wales) 2005.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>A.14</b> The Treasurer is responsible for:</p> <ul style="list-style-type: none"> <li>▪ the proper administration of the Authority's financial affairs</li> <li>▪ setting and Monitoring compliance with financial management standards</li> <li>▪ advising on the corporate financial position and on the key financial controls necessary to secure sound financial management</li> <li>▪ providing financial information</li> <li>▪ preparing the Revenue Budget and Capital Programme</li> <li>▪ treasury management.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>A.15</b> <b>Section 114</b> of the Local Government Finance Act 1988 requires the Treasurer to report to the Fire &amp; Rescue Authority and external auditor if the Authority or one of its officers:</p> <ul style="list-style-type: none"> <li>▪ has made, or is about to make, a decision which involves incurring unlawful expenditure</li> <li>▪ has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Authority</li> </ul>	<p>FA 18.5.09 Min No. 150</p>

<ul style="list-style-type: none"> <li>▪ is about to make an unlawful entry in the Authority's accounts.</li> </ul> <p>Section 114 of the 1988 Act also requires:</p> <ul style="list-style-type: none"> <li>▪ the Treasurer to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under section 114 personally</li> <li>▪ the Authority to provide the Treasurer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under section 114.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>PRINCIPAL OFFICERS</b></p> <p><b>A.16</b> Principal officers are responsible for ensuring that Fire &amp; Rescue Authority Members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Treasurer.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>A.17</b> It is the responsibility of Principal officers to consult with the Treasurer and seek approval on any matter liable to affect the Authority's finances materially, before any commitments are incurred.</p>	<p>FA 18.5.09 Min No. 150</p>

<b>OTHER FINANCIAL ACCOUNTABILITIES</b>	
<p>Virement</p> <p><b>A.18</b> The Fire &amp; Rescue Authority is responsible for agreeing procedures for virement of expenditure between budget headings.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>A.19</b> Principal officers are responsible for agreeing in-year virements within delegated limits, in consultation with the Treasurer where required. They must obtain approval from the Treasurer of all virements over £50,000. All virements over £50,000 must be notified to the Chairperson or Vice Chairperson of the Fire and Rescue Authority.</p> <p>Treatment of year-end balances</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>A.20</b> The Fire &amp; Rescue Authority is responsible for agreeing procedures for carrying forward under- and overspendings on budget headings.</p> <p>Accounting policies</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>A.21</b> The Treasurer is responsible for selecting accounting policies and ensuring that they are applied consistently.</p> <p>Accounting records and returns</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>A.22</b> The Treasurer is responsible for determining the accounting procedures and records for the Authority.</p> <p>The annual statement of accounts</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>A.23</b> The Treasurer is responsible for ensuring that the annual statement of accounts is prepared in accordance with the <i>Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice</i> (CIPFA/LASAAC). The Fire &amp; Rescue Authority is responsible for approving the annual statement of accounts and the annual government statement.</p>	<p>FA 18.5.09 Min No. 150</p>
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<b>FINANCIAL REGULATION B: FINANCIAL PLANNING</b>	FA 18.5.09 Min No. 150
<p><b>INTRODUCTION</b></p> <p><b>B.1</b> The Fire &amp; Rescue Authority is responsible for agreeing the Authority's Corporate framework and budget. In terms of financial planning, the key elements are:</p> <ul style="list-style-type: none"> <li>▪ the Corporate Plan</li> <li>▪ the Budget - Revenue</li> <li>▪ the Capital Programme.</li> </ul> <p><b>B.2</b> The Fire &amp; Rescue Authority is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the Corporate framework and for determining the circumstances in which a decision will be deemed to be contrary to the budget or policy framework. Decisions should be referred to the Fire &amp; Rescue Authority by the Monitoring Officer.</p> <p><b>B.3</b> The Fire &amp; Rescue Authority is responsible for setting the level at which the Corporate Management Team may reallocate budget funds from one Directorate to another. The Finance Audit and Performance Management Committee is responsible for taking in-year decisions on resources and priorities in order to deliver the budget policy framework within the financial limits set by the Authority.</p> <p>Preparation of the corporate plan</p> <p><b>B.4</b> The Chief Fire Officer is responsible for presenting the Corporate Plan to the Fire &amp; Rescue Authority for consideration and approval.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

<b>BUDGETING</b>	
Budget format	FA 18.5.09 Min No. 150
<b>B.5</b> The general format of the budget will be approved by the Fire & Rescue Authority and submitted by the Finance, Audit and Performance Management Committee on the advice of the Treasurer. The draft budget should include allocation to different services and projects, and contingency funds.	
Budget preparation	FA 18.5.09 Min No. 150
<b>B.6</b> The Treasurer is responsible for ensuring that a Revenue Budget is prepared on an annual basis and a general Revenue Plan on a three-yearly basis for consideration by the Finance, Audit and Performance Management Committee, before submission to the Fire & Rescue Authority. The Fire & Rescue Authority may amend the budget or ask the Finance, Audit and Performance Management Committee to reconsider it before approving it.	
<b>B.7</b> It is the responsibility of Principal officers to ensure that budget estimates reflecting agreed service plans are submitted to the Corporate Management Team and that these estimates are prepared in line with guidance issued by the Director of Finance.	FA 18.5.09 Min No. 150
Budget monitoring and control	FA 18.5.09 Min No. 150
<b>B.8</b> The Treasurer is responsible for providing appropriate financial information to enable budgets to be monitored effectively. He or she must monitor and control expenditure against budget allocations and report to Finance, Audit and Performance Management Committee on the overall position on a regular basis with periodic reports to the Fire & Rescue Authority.	
<b>B.9</b> It is the responsibility of Principal officers to control income and expenditure within their area and to monitor performance, taking account of financial information provided by the Treasurer/ ACO Corporate Support. They should report on variances within their own areas. They should also take any action necessary to avoid exceeding their budget allocation and alert the	FA 18.5.09 Min No. 150  DLAICT del. 7.1.6 31/08/09

Treasurer/ ACO Corporate Support to any problems.	
<p>Resource allocation</p> <p><b>B.10</b> The Treasurer is responsible for developing and maintaining a resource allocation process that ensures due consideration of the Fire &amp; Rescue Authority policy framework.</p>	<p>FA 18.5.09 Min No. 150</p>
<p>Preparation of the capital programme</p> <p><b>B.11</b> The Treasurer is responsible for ensuring that a Capital Programme is prepared on an annual basis for consideration by the Finance, Audit and Performance Management Committee before submission to the Fire &amp; Rescue Authority.</p>	<p>FA 18.5.09 Min No. 150</p>
<p>Guidelines</p> <p><b>B.12</b> Guidelines on budget preparation are issued to members and Principal Officers by the Treasurer. The guidelines will take account of:</p> <ul style="list-style-type: none"> <li>▪ legal requirements</li> <li>▪ medium-term planning prospects</li> <li>▪ the corporate plan</li> <li>▪ available resources</li> <li>▪ spending pressures</li> <li>▪ best value and other relevant government guidelines</li> <li>▪ other internal policy documents</li> <li>▪ cross-cutting issues (where relevant).</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>MAINTENANCE OF RESERVES</b></p> <p><b>B.13</b> It is the responsibility of the Treasurer to advise the Finance, Audit and Performance Management Committee and/or the Fire &amp; Rescue Authority on prudent levels of reserves for the Authority.</p>	<p>FA 18.5.09 Min No. 150</p>



<p><b>C.6</b> It is the responsibility of Principal officers to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>AUDIT REQUIREMENTS</b></p>	
<p><b>C.7</b> The Accounts and Audit (Wales) Regulations 2005 issued by the National Assembly for Wales require every local Authority to maintain an adequate and effective internal audit.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>C.8</b> The Wales Audit Office is responsible for appointing external auditors to each Local Authority. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by section 5 of the Audit Commission Act 1998.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>C.9</b> The Authority may, from time to time, be subject to audit, inspection or investigation by external bodies such as H.M. Revenue &amp; Customs, who have statutory rights of access.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>PREVENTING FRAUD AND CORRUPTION</b></p>	
<p><b>C.10</b> The Treasurer is responsible for the development and maintenance of an anti-fraud and anti-corruption policy.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>ASSETS</b></p>	
<p><b>C.11</b> Principal officers should ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>TREASURY MANAGEMENT</b></p>	
<p><b>C.12</b> The Authority has adopted CIPFA's <i>Code of Practice for Treasury Management in Local Authorities</i>.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>C.13</b> The Fire &amp; Rescue Authority is responsible for approving the Treasury Management Policy Statement setting out the matters detailed in paragraph 15 of CIPFA's <i>Code of Practice for Treasury Management in Local Authorities</i>. The Treasurer has delegated responsibility for implementing and monitoring the statement.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>C.14</b> All money in the hands of the Authority is controlled by the officer designated for the purposes of section 151 of the Local Government Act 1972, referred to in the code as the Treasurer.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>C.15</b> The Treasurer is responsible for reporting to the Fire &amp; Rescue Authority a proposed Treasury Management Strategy and an Annual Investment Strategy for the coming financial year at or before the start of each financial year.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>C.16</b> All executive decisions on borrowing, investment or financing shall be delegated to the Treasurer, who is required to act in accordance with CIPFA's <i>Code of Practice for Treasury Management in Local Authorities</i>.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>C.17</b> The Treasurer is responsible for reporting to the Fire &amp; Rescue Authority not less than two times in each financial year on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers. This will include an annual report on treasury management for presentation by 30 September of the succeeding financial year.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>STAFFING</b></p>	
<p><b>C.19</b> The Chief Fire Officer is responsible for providing overall management to staff. He or she is also responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.</p>	<p>FA 18.5.09 Min No. 150</p>

**C.20** The ACO People Services is responsible for controlling total staff numbers by:

- advising the Fire & Rescue Authority on the budget necessary in any given year to cover estimated staffing levels
- adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs
- the proper use of appointment procedures.

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<b>FINANCIAL REGULATION D: SYSTEMS AND PROCEDURES</b>	FA 18.5.09 Min No. 150
<b>INTRODUCTION</b>  <b>D.1</b> Sound systems and procedures are essential to an effective framework of accountability and control.	FA 18.5.09 Min No. 150
<b>GENERAL</b>  <b>D.2</b> The Treasurer is responsible for the operation of the Authority's accounting systems, the form of accounts and the supporting financial records. Any changes made to the existing financial systems or the establishment of new systems must be approved by the Treasurer. However, Principal officers are responsible for the proper operation of financial processes in their own departments.  <b>D.3</b> Principal officers should ensure that their staff receive relevant financial training that has been approved by the Director of Finance.  <b>D.4</b> Principal officers must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation. Principal officers must ensure that staff are aware of their responsibilities under freedom of information legislation.	FA 18.5.09 Min No. 150  FA 18.5.09 Min No. 150  FA 18.5.09 Min No. 150
<b>INCOME AND EXPENDITURE</b>  <b>D.5</b> It is the responsibility of ACO Corporate Support to ensure that a proper scheme of delegation has been established and is operating effectively. The scheme of delegation should identify staff authorised to act on the Principal officer's behalf, in respect of payments, income collection and placing orders, together with the limits of their Authority. The Finance, Audit and Performance Management Committee is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control.	FA 18.5.09 Min No. 150  DLAICT del. 7.1.6 31/08/09

<p><b>PAYMENTS TO EMPLOYEES AND MEMBERS</b></p> <p><b>D.6</b> The ACO People Services is responsible for all payments of salaries and wages to all staff, including payments for overtime, and for payment of allowances to Members.</p>	<p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>
<p><b>TAXATION</b></p> <p><b>D.7</b> The Head of Finance and the ACO People Services are responsible for advising Principal Officers, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Authority.</p> <p><b>D.8</b> The Head of Finance and the ACO People Services are responsible for maintaining the Authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.</p>	<p>FA 18.5.09 Min No. 150</p> <p>DLAICT del. 7.1.6 31/08/09</p> <p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>

<b>FINANCIAL REGULATION E: EXTERNAL ARRANGEMENTS</b>	FA 18.5.09 Min No. 150
<b>INTRODUCTION</b>  <b>E.1</b> Local Authorities provide a distinctive leadership role for the community and bring together the contributions of the various stakeholders. They must also act to achieve the promotion or improvement of the economic, social or environmental well-being of their area.	FA 18.5.09 Min No. 150
<b>PARTNERSHIPS</b>  <b>E.2</b> The Fire & Rescue Authority is responsible for approving delegations, including frameworks for partnerships and is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.  <b>E.3</b> The Fire & Rescue Authority can delegate functions – including those relating to partnerships – to officers. These are set out in the scheme of delegation that forms part of the Authority’s constitution. Where functions are delegated, the Fire & Rescue Authority remains accountable for them.  <b>E.4</b> The Chief Fire Officer represents the Authority on partnership and external bodies, in accordance with the scheme of delegation.  <b>E.5</b> The Treasurer is responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Authority.  <b>E.6</b> The Treasurer must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. He or she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He or she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.	FA 18.5.09 Min No. 150  FA 18.5.09 Min No. 150  FA 18.5.09 Min No. 150  FA 18.5.09 Min No. 150  FA 18.5.09 Min No. 150

<p><b>E.7</b> Principal officers are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>EXTERNAL FUNDING</b></p> <p><b>E.8</b> The Treasurer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Authority's accounts.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>WORK FOR THIRD PARTIES</b></p> <p><b>E.9</b> The ACO Corporate Support is responsible for approving the contractual arrangements for any work for third parties or external bodies.</p>	<p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>

Appendices

# Financial Procedures

FA 18.5.09  
Min No. 150

Appendix A	FA 18.5.09 Min No. 150
<h1>Financial Management</h1>	
<b>FINANCIAL MANAGEMENT STANDARDS</b>	
<b>Why is this important?</b>	
<p><b>1.01</b> All staff and Members have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.</p>	FA 18.5.09 Min No. 150
<b>Key controls</b>	
<p><b>1.02</b> The key controls and control objectives for financial management standards are:</p> <ul style="list-style-type: none"> <li>(a) their promotion throughout the Authority</li> <li>(b) a monitoring system to review compliance with financial standards, and regular comparisons of performance indicators and benchmark standards that are reported to the Fire &amp; Rescue Authority.</li> </ul>	FA 18.5.09 Min No. 150
<b>Responsibilities of the Treasurer</b>	
<p><b>1.03</b> To ensure the proper administration of the financial affairs of the Authority.</p>	FA 18.5.09 Min No. 150
<p><b>1.04</b> To set the financial management standards and to monitor compliance with them.</p>	FA 18.5.09 Min No. 150
<p><b>1.05</b> To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance staff throughout the Authority.</p>	FA 18.5.09 Min No. 150

<b>1.06</b> To advise on the key strategic controls necessary to secure sound financial management.	FA 18.5.09 Min No. 150
<b>1.07</b> To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.	FA 18.5.09 Min No. 150

<p><b>Responsibilities of Principal Officers</b></p> <p><b>1.08</b> To promote the financial management standards set by the Treasurer in their departments and to monitor adherence to the standards and practices, liaising as necessary with the Treasurer.</p> <p><b>1.09</b> To promote sound financial practices in relation to the standards, performance and development of staff in their departments.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>MANAGING EXPENDITURE</b></p> <p>Scheme of virement</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Why is this important?</b></p> <p><b>1.10</b> The scheme of virement is intended to enable Principal officers and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Fire &amp; Rescue Authority, and therefore to optimise the use of resources.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>Key controls</b></p> <p><b>1.11</b> Key controls for the scheme of virement are:</p> <p>(a) it is administered by the Treasurer within guidelines set by the Fire &amp; Rescue Authority. Any variation from this scheme requires the approval of the Fire &amp; Rescue Authority</p> <p>(b) the overall budget is proposed by the Finance Audit and Performance Management Committee to Fire &amp; Rescue Authority for approval. Principal officers and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement; that is, switching resources between approved estimates or heads of expenditure. For the purposes of this scheme, a budget head is considered to be a line in the approved budget report.</p> <p>(c) virement does not create additional overall budget liability. Principal Officers are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should aim to avoid supporting recurring expenditure or creating future commitments from one-off sources of savings. Principal Officers must identify future resources to fund such commitments.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>1.12</b> To prepare jointly with the Chief Fire Officer a report to the Finance Audit and Performance Management Committee where:</p> <p>a) virements in excess of £100,000 are proposed.</p> <p>b) Virements between pay and non pay budgets are proposed</p>	<p>FA 18.5.09 Min No. 150</p>

<b>Responsibilities of Principal Officers</b>	
<b>1.13</b> All virement requests must specify the proposed expenditure and the source of funding, and must explain the implications in the current and future financial year.	FA 18.5.09 Min No. 150
<b>1.14</b> A Principal Officer may exercise virement on budgets under his or her control for amounts up to £5,000 on any one budget head during the year, following notification to the ACO Corporate Support and subject to the conditions in paragraphs 1.15 to 1.17 below. Heads of Service may approve virements up to £1,000	FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09
<b>1.15</b> Amounts between £5,000 and £10,000 require the approval of the ACO Corporate Support or the Head of Finance. Amounts between £10,000 and £50,000 require the approval of the Chief Fire Officer. Virements between £50,000 and £100,000 may be approved by the Chief Fire Officer after consultation with the Treasurer. All virements over £50,000 must be notified to the Chairperson or Vice Chairperson of the Fire and Rescue Authority. Amounts greater than £100,000 require the approval of the Finance, Audit and Performance Management Committee or the Fire and Rescue Authority.	FA 18.5.09 Min No. 150  DLAICT del. 7.1.6 31/08/09
<b>1.16</b> Virements between budgets managed by different Principal officers should be implemented only after agreement with the relevant Principal officer, and within the limits set in paragraph 1.14.	FA 18.5.09 Min No. 150
<b>1.17</b> Virements between pay budgets require the approval of the ACO People Services.	FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09
<b>1.18</b> No virement relating to a specific financial year should be made after 31 March in that year.	FA 18.5.09 Min No. 150

<p><b>1.19</b> Where an approved budget is a lump-sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that:</p> <p>(a) the amount is used in accordance with the purposes for which it has been established</p> <p>(b) the Executive leadership Team has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Corporate Management Team.</p>	<p>FA 18.5.09 Min No. 150</p> <p>DLAICT del. 7.1.6 31/08/09</p>
<p>Treatment of year-end balances</p> <p><b>Why is this important?</b></p> <p><b>1.20</b> The Authority's scheme of virement sets out the Authority's treatment of year-end balances. It is administered by the Treasurer within guidelines set by the Fire &amp; Rescue Authority. Any variation from the scheme of virement (as set out above) requires the approval of the Fire &amp; Rescue Authority.</p> <p><b>1.21</b> The rules below cover arrangements for the transfer of resources between accounting years, ie a carry-forward. For the purposes of this scheme, a budget heading is a line in the estimates report, or, at an equivalent level to the standard service subdivision as defined by CIPFA in its Service Expenditure Analysis.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>Key controls</b></p> <p><b>1.22</b> Appropriate accounting procedures are in operation to ensure that carried-forward totals are correct.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>1.23</b> To administer the scheme of carry-forward within the guidelines approved by the Fire &amp; Rescue Authority.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>1.24</b> To report all overspendings and underspendings on service estimates carried forward to the Executive Leadership Team and to the Fire &amp; Rescue Authority.</p>	<p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>
<p><b>Responsibilities of Principal Officers</b></p>	
<p><b>1.25</b> Any overspending on service estimates in total on budgets under the control of the principal officer may be carried forward to the following year, and will constitute the first call on service estimates in the following year. The Treasurer will report the extent of overspendings carried forward to the Finance Audit and Performance Management Committee who will make appropriate recommendations to the Fire &amp; Rescue Authority.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>1.26</b> Net underspendings on service estimates under the control of the Principal officer may be carried forward, subject to:</p> <ul style="list-style-type: none"> <li>(a) reporting to the Finance Audit and Performance Management Committee the source of underspending or additional income and the proposed application of those resources</li> <li>(b) the approval of the Fire &amp; Rescue Authority where the underspending exceeds 10% of the individual budget heading or £10,000, whichever is less.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>ACCOUNTING POLICIES</b></p>	
<p><b>Why is this important?</b></p>	
<p><b>1.27</b> The Treasurer is responsible for the preparation of the Authority's statement of accounts, in accordance with proper practices as set out in the format required by the <i>Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice</i> (CIPFA/LASAAC), for each financial year ending 31 March.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>Key controls</b></p> <p><b>1.28</b> The key controls for accounting policies are:</p> <ul style="list-style-type: none"> <li>(a) systems of internal control are in place that ensure that financial transactions are lawful</li> <li>(b) suitable accounting policies are selected and applied consistently</li> <li>(c) proper accounting records are maintained</li> <li>(d) financial statements are prepared which present fairly the financial position of the Authority and its expenditure and income.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>1.29</b> To select suitable accounting policies and to ensure that they are applied consistently. The accounting policies are set out in the statement of accounts, which is prepared at 31 March each year, and covers such items as:</p> <ul style="list-style-type: none"> <li>(a) separate accounts for capital and revenue transactions</li> <li>(b) the basis on which debtors and creditors at year end are included in the accounts</li> <li>(c) details on substantial provisions and reserves</li> <li>(d) fixed assets</li> <li>(e) depreciation</li> <li>(f) capital charges</li> <li>(g) work in progress</li> <li>(h) stocks and stores</li> <li>(i) deferred charges</li> <li>(j) accounting for value added tax</li> <li>(k) government grants</li> <li>(l) leasing</li> <li>(m) pensions.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>

<b>Responsibilities of Principal Officers</b> <b>1.30</b> To adhere to the accounting policies and guidelines approved by the Treasurer.	FA 18.5.09 Min No. 150
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<b>ACCOUNTING RECORDS AND RETURNS</b>	
<p><b>Why is this important?</b></p> <p><b>1.31</b> Maintaining proper accounting records is one of the ways in which the Authority discharges its responsibility for stewardship of public resources. The Authority has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of the Authority's resources.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Key controls</b></p> <p><b>1.32</b> The key controls for accounting records and returns are:</p> <ul style="list-style-type: none"> <li>(a) all directors, finance staff and budget managers operate within the required accounting standards and timetables</li> <li>(b) all the Authority's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis</li> <li>(c) procedures are in place to enable accounting records to be reconstituted in the event of systems failure</li> <li>(d) reconciliation procedures are carried out to ensure transactions are correctly recorded</li> <li>(e) prime documents are retained in accordance with legislative and other requirements.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Director of Finance</b></p> <p><b>1.33</b> To determine the accounting procedures and records for the Authority.</p> <p><b>1.34</b> To arrange for the compilation of all accounts and accounting records under his or her direction.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

<p><b>1.35</b> To comply with the following principles when allocating accounting duties:</p> <p>(a) separating the duties of providing information about sums due to or from the Authority and calculating, checking and recording these sums from the duty of collecting or disbursing them</p> <p>(b) employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.</p> <p><b>1.36</b> To make proper arrangements for the audit of the Authority's accounts in accordance with the Accounts and Audit Regulations (Wales) 2005.</p> <p><b>1.37</b> To ensure that all claims for funds including grants are made by the due date.</p> <p><b>1.38</b> To prepare and publish the audited accounts of the Authority for each financial year, in accordance with the statutory timetable and with the requirement for the Fire &amp; Rescue Authority to approve the statement of accounts before 30 June.</p> <p><b>1.39</b> To administer the Authority's arrangements for under- and overspendings to be carried forward to the following financial year.</p> <p><b>1.40</b> To ensure the proper retention of financial documents in accordance with the requirements set out in the Authority's document retention schedule.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p>	
<p><b>1.41</b> To comply with the principles outlined in paragraph 1.35 when allocating accounting duties.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>1.42</b> To maintain adequate records to provide a management trail leading from the source of income/expenditure through to the accounting statements.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>1.43</b> To supply information required to enable the statement of accounts to be completed in accordance with guidelines issued by the Treasurer.</p>	<p>FA 18.5.09 Min No. 150</p>

<b>THE ANNUAL STATEMENT OF ACCOUNT</b>	
<p><b>Why is this important?</b></p> <p><b>1.44</b> The Authority has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The Fire &amp; Rescue Authority is responsible for approving the statutory annual statement of accounts.</p>	FA 18.5.09 Min No. 150
<p><b>Key controls</b></p> <p><b>1.45</b> The key controls for the annual statement of accounts are:</p> <ul style="list-style-type: none"> <li>▪ the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of these affairs. In this Authority, that officer is the Treasurer</li> <li>▪ the Authority's statement of accounts must be prepared in accordance with proper practices as set out in the <i>Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice</i> (the SORP) (CIPFA/LASAAC).</li> </ul>	FA 18.5.09 Min No. 150
<p><b>Responsibilities of the Treasurer</b></p> <p><b>1.46</b> To select suitable accounting policies and to apply them consistently.</p> <p><b>1.47</b> To make judgements and estimates that are reasonable and prudent.</p> <p><b>1.48</b> To comply with the SORP.</p> <p><b>1.49</b> To sign and date the statement of accounts, stating that it presents fairly the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March.</p> <p><b>1.50</b> To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

<b>Responsibilities of Principal Officers</b>	
<b>1.51</b> To comply with accounting guidance provided by the Treasurer and to supply the Treasurer with information when required.	FA 18.5.09 Min No. 150

# Financial Planning

<b>PERFORMANCE PLANS</b>	
<p><b>Why is this important?</b></p> <p><b>2.01</b> Each Authority has a statutory responsibility to publish various performance plans, including Annual Improvement Plans. The purpose of these plans is to explain overall priorities and objectives, current performance, and proposals for further improvement. The Authority is required to publish annually the Improvement Plan, which summarises its performance and position in relation to the Wales Programme for Improvement. The plan is a key element in the Authority's programme of engaging with the public. External audit is required to report on whether the Authority has complied with statutory requirements in respect of the preparation and publication of the Improvement Plan.</p>	FA 18.5.09 Min No. 150
<p><b>Key controls</b></p> <p><b>2.02</b> The key controls for performance plans are:</p> <ul style="list-style-type: none"> <li>(a) to ensure that all relevant plans are produced and that they are consistent</li> <li>(b) to produce plans in accordance with statutory requirements</li> <li>(c) to meet the timetables set</li> <li>(d) to ensure that all performance information is accurate, complete and up to date</li> <li>(e) to provide improvement targets which are meaningful, realistic and challenging.</li> </ul>	FA 18.5.09 Min No. 150
<p><b>Responsibilities of the Director of Finance</b></p> <p><b>2.03</b> To advise and supply the financial information that needs to be included in performance plans in accordance with statutory requirements and agreed timetables.</p>	FA 18.5.09 Min No. 150

**2.04** To contribute to the development of corporate and service targets and objectives and performance information.

FA 18.5.09  
Min No. 150

<b>Responsibilities of Principal Officers</b>	
<b>2.05</b> To ensure that systems are in place to measure activity and collect accurate information for use as performance indicators.	FA 18.5.09 Min No. 150
<b>2.06</b> To ensure that performance information is monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.	FA 18.5.09 Min No. 150
<b>2.07</b> To contribute to the development of performance plans in line with statutory requirements.	FA 18.5.09 Min No. 150
<b>2.08</b> To contribute to the development of corporate and service targets and objectives and performance information.	FA 18.5.09 Min No. 150

<b>BUDGETING</b>	
<p>Format of the budget</p> <p><b>Why is this important?</b></p> <p><b>2.09</b> The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate, the operation of cash limits and sets the level at which funds may be reallocated within budgets.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>Key controls</b></p> <p><b>2.10</b> The key controls for the budget format are:</p> <p>(a) the format complies with all legal requirements</p> <p>(b) the format reflects the accountabilities of service delivery.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>2.11</b> To advise the Corporate Management Team on the format of the budget that is approved by the Fire &amp; Rescue Authority.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p> <p><b>2.12</b> To comply with accounting guidance provided by the Treasurer.</p> <p>Revenue budget preparation, monitoring and control</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Why is this important?</b></p> <p><b>2.13</b> Budget management ensures that once the budget has been approved by the Fire &amp; Rescue Authority, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Authority to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>2.14</b> By continuously identifying and explaining variances against budgetary targets, the Authority can identify changes in trends and resource requirements at the earliest opportunity. The Authority itself operates within an annual cash limit, approved when setting the overall budget. To ensure that the Authority in total does not overspend, each department is required to manage its own expenditure within the cash-limited budget allocated to it.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>2.15</b> For the purposes of budgetary control by managers, a budget will normally be the planned income and expenditure for a service area or cost centre. However, budgetary control may take place at a more detailed level if this is required by the principal officer's scheme of delegation.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Key controls</b></p> <p><b>2.16</b> The key controls for managing and controlling the Revenue Budget are:</p> <ul style="list-style-type: none"> <li>(a) budget managers should be responsible only for income and expenditure that they can influence</li> <li>(b) there is a nominated budget manager for each cost centre heading</li> <li>(c) budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities</li> <li>(d) budget managers follow an approved certification process for all expenditure</li> <li>(e) income and expenditure are properly recorded and accounted for</li> <li>(f) performance levels/levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>

<b>Responsibilities of the Treasurer</b>	
<p><b>2.17</b> To establish an appropriate framework of budgetary management and control that ensures that:</p> <ul style="list-style-type: none"> <li>(a) budget management is exercised within annual cash limits unless the Fire &amp; Rescue Authority agrees otherwise</li> <li>(b) each Principal officer has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities</li> <li>(c) expenditure is committed only against an approved budget head</li> <li>(d) all officers responsible for committing expenditure comply with relevant guidance, the financial regulations and contract standing orders</li> <li>(e) each cost centre has a single named manager, determined by the relevant Principal officer. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure</li> <li>(f) significant variances from approved budgets are investigated and reported by budget managers regularly.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>2.18</b> To administer the Authority's scheme of virement.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>2.19</b> To submit reports to the Corporate Management Team and to the Finance, Audit and Performance Management Committee in consultation with the relevant Principal officer, where a Principal officer is unable to balance expenditure and resources within existing approved budgets under his or her control.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>2.20</b> To prepare and submit reports on the Authority's projected income and expenditure compared with the budget on a regular basis.</p>	<p>FA 18.5.09 Min No. 150</p>

<b>Responsibilities of Principal Officers</b>	
<b>2.21</b> To maintain budgetary control within their departments, in adherence to the principles in 2.17, and to ensure that all income and expenditure are properly recorded and accounted for.	FA 18.5.09 Min No. 150
<b>2.22</b> To ensure that an accountable budget manager is identified for each item of income and expenditure under the control of the principal officer (grouped together in a series of cost centres). As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.	FA 18.5.09 Min No. 150
<b>2.23</b> To ensure that spending remains within the service's overall cash limit, and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast.	FA 18.5.09 Min No. 150
<b>2.24</b> To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and is operating effectively.	FA 18.5.09 Min No. 150
<b>2.25</b> To prepare and submit reports on the service's projected expenditure compared with its budget, in consultation with the Director of Finance.	FA 18.5.09 Min No. 150
<b>2.26</b> To ensure prior approval by the Fire & Rescue Authority or for new proposals, of whatever amount, that: <ul style="list-style-type: none"> <li>(a) create financial commitments in future years</li> <li>(b) change existing policies, initiate new policies or cease existing policies</li> <li>(c) materially extend or reduce the Authority's services.</li> </ul>	FA 18.5.09 Min No. 150
<b>2.27</b> To ensure compliance with the scheme of virement.	FA 18.5.09 Min No. 150

<p><b>2.28</b> To agree with the relevant principal officer where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or principal officer's level of service activity.</p>	<p>FA 18.5.09 Min No. 150</p>
<p>Budgets and medium-term planning</p> <p><b>Why is this important?</b></p> <p><b>2.29</b> The Authority is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the Authority's plans and policies.</p> <p><b>2.30</b> The Revenue Budget must be constructed so as to ensure that resource allocation properly reflects the service plans and priorities of the Fire &amp; Rescue Authority. Budgets (spending plans) are needed so that the Authority can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for an Authority to budget for a deficit.</p> <p><b>2.31</b> Medium-term planning (or a three- to five-year planning system) involves a planning cycle in which managers develop their own plans. As each year passes, another future year will be added to the medium-term plan. This ensures that the Authority is always preparing for events in advance.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

<p><b>Key controls</b></p> <p><b>2.32</b> The key controls for budgets and medium-term planning are:</p> <ul style="list-style-type: none"><li>(a) specific budget approval for all expenditure</li><li>(b) budget managers are consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set by the Fire &amp; Rescue Authority for their budgets and the level of service to be delivered</li><li>(c) a monitoring process is in place to review regularly the effectiveness and operation of budget preparation and to ensure that any corrective action is taken.</li></ul>	<p>FA 18.5.09 Min No. 150</p>
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<b>Responsibilities of the Treasurer</b>	
<b>2.33</b> To prepare and submit reports on budget prospects for the Fire & Rescue Authority and Finance, Audit and Performance Management Committee, including resource constraints set by the Government. Reports should take account of medium-term prospects, where appropriate.	FA 18.5.09 Min No. 150
<b>2.34</b> To determine the detailed form of revenue estimates and the methods for their preparation, consistent with the budget approved by the Fire & Rescue Authority, and after consultation with the Principal Officers.	FA 18.5.09 Min No. 150
<b>2.35</b> To prepare and submit reports to the Fire & Rescue Authority and Finance, Audit and Performance Management Committee on the aggregate spending plans of departments and on the resources available to fund them.	FA 18.5.09 Min No. 150
<b>2.36</b> To advise on the medium-term implications of spending decisions.	FA 18.5.09 Min No. 150
<b>2.37</b> To encourage the best use of resources and value for money by working with Principal Officers to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.	FA 18.5.09 Min No. 150
<b>2.38</b> To advise the Fire & Rescue Authority on proposals in accordance with his or her responsibilities under section 151 of the Local Government Act 1972.	FA 18.5.09 Min No. 150
<b>Responsibilities of Principal Officers</b>	
<b>2.39</b> To prepare estimates of income and expenditure, in consultation with the Treasurer, to be submitted to the Corporate Management Team.	FA 18.5.09 Min No. 150

<p><b>2.40</b> To prepare budgets that are consistent with any relevant cash limits, with the Authority’s annual budget cycle and with guidelines issued by the Treasurer. The format should be prescribed by the Treasurer in accordance with the Fire &amp; Rescue Authority’s general directions.</p> <p><b>2.41</b> To integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.</p> <p><b>2.42</b> In consultation with the ACO Corporate Support and in accordance with the laid-down guidance and timetable, to prepare detailed draft revenue and capital budgets for consideration by the appropriate committee.</p> <p><b>2.43</b> When drawing up draft budget requirements, to have regard to:</p> <ul style="list-style-type: none"> <li>(a) spending patterns and pressures revealed through the budget monitoring process</li> <li>(b) legal requirements</li> <li>(c) policy requirements as defined by the Fire &amp; Rescue Authority in the approved policy framework</li> <li>(d) initiatives already under way.</li> </ul>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p> <p>FA 18.5.09 Min No. 150</p>
<p>Resource allocation</p> <p><b>Why is this important?</b></p> <p><b>2.44</b> A mismatch often exists between available resources and required resources. A common scenario is that available resources are not adequate to fulfil need/desire. It is therefore imperative that needs/desires are carefully prioritised and that resources are fairly allocated, in order to fulfil all legal responsibilities. Resources may include staff, money, equipment, goods and materials.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

<p><b>Key controls</b></p> <p><b>2.45</b> The key controls for resource allocation are:</p> <ul style="list-style-type: none"> <li>(a) resources are acquired in accordance with the law and using an approved authorisation process</li> <li>(b) resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for</li> <li>(c) resources are securely held for use when required</li> <li>(d) resources are used with the minimum level of waste, inefficiency or loss for other reasons.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>2.46</b> To advise on methods available for the funding of resources, such as grants from central government and borrowing requirements.</p> <p><b>2.47</b> To assist in the allocation of resources to budget managers.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p> <p><b>2.48</b> To work within budget limits and to utilise resources allocated, and further allocate resources, in the most efficient, effective and economic way.</p> <p><b>2.49</b> To identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p>Capital programmes</p> <p><b>Why is this important?</b></p> <p><b>2.50</b> Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Authority, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>2.51</b> 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.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Key controls</b></p> <p><b>2.52</b> The key controls for capital programmes are:</p> <ul style="list-style-type: none"> <li>(a) specific approval by the Fire &amp; Rescue Authority for the programme of capital expenditure</li> <li>(b) a scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, for approval by the Finance, Audit and Performance Management Committee</li> <li>(c) where capital schemes are to be financed from the Revenue Budget, the approval of the Fire &amp; Rescue Authority is required</li> <li>(d) proposals for improvements and alterations to buildings must be approved by the Estates Committee</li> <li>(e) schedules for individual schemes within the overall budget approved by the Fire &amp; Rescue Authority must be submitted to the appropriate director for approval (for example, minor works), or under other arrangements approved by the Fire &amp; Rescue Authority</li> <li>(f) the development and implementation of asset management plans</li> <li>(g) accountability for each proposal is accepted by a named manager</li> <li>(h) monitoring of progress in conjunction with expenditure and comparison with approved budget.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>

<b>Responsibilities of the Treasurer</b>	
<p><b>2.53</b> To prepare capital estimates jointly with Principal Officers and the Chief Fire Officer and to report them to the Fire &amp; Rescue Authority for approval. The Finance, Audit and Performance Management Committee will make recommendations on the capital estimates and on any associated financing requirements to the Fire &amp; Rescue Authority. Fire &amp; Rescue Authority approval is required where a Principal Officer proposes to bid for additional borrowing approval not anticipated in the Capital Programme. This is because the extra borrowing may create future commitments to financing costs.</p>	FA 18.5.09 Min No. 150
<p><b>2.54</b> To prepare and submit reports to the Finance, Audit and Performance Management Committee on the projected income, expenditure and resources compared with the approved estimates.</p>	FA 18.5.09 Min No. 150
<p><b>2.55</b> To issue guidance concerning capital schemes and controls, for example, on project appraisal techniques. The definition of 'capital' will be determined by the Treasurer, having regard to government regulations and accounting requirements.</p>	FA 18.5.09 Min No. 150
<p><b>2.56</b> To obtain authorisation from the Fire &amp; Rescue Authority for individual schemes where the estimated expenditure exceeds the capital programme provision by more than a specified amount.</p>	FA 18.5.09 Min No. 150
<b>Responsibilities of Principal Officers</b>	
<p><b>2.57</b> To comply with guidance concerning capital schemes and controls issued by the Treasurer.</p>	FA 18.5.09 Min No. 150
<p><b>2.58</b> To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Treasurer.</p>	FA 18.5.09 Min No. 150

<p><b>2.59</b> To prepare regular reports reviewing the capital programme provisions for their services. They should also prepare a quarterly return of estimated final costs of schemes in the approved capital programme for submission to the Treasurer.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>2.60</b> To ensure that adequate records are maintained for all capital contracts.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>2.61</b> To proceed with projects only when there is adequate provision in the capital programme and with the agreement of the Treasurer, where required.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>2.62</b> To prepare and submit reports, jointly with the Treasurer, to the Finance, Audit and Performance Management Committee, of any variation in contract costs greater than the approved limits. The Finance, Audit and Performance Management Committee may meet cost increases of up to 5% by virement from savings elsewhere within the capital programme.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>2.63</b> To prepare and submit reports, jointly with the Treasurer, to the Finance, Audit and Performance Management Committee, on completion of all contracts where the final expenditure exceeds the approved contract sum by more than the specified amount.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>2.64</b> To ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the Treasurer and, if applicable, approval of the scheme through the capital programme.</p>	<p>FA 18.5.09 Min No. 150</p>

<b>MAINTENANCE OF RESERVES</b>	
<p><b>Why is this important?</b></p> <p><b>2.65</b> The Authority must decide the level of general reserves it wishes to maintain. Reserves are maintained as a matter of prudence. They enable the Authority to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained, such as the purchase or renewal of capital items.</p> <p><b>Key controls</b></p> <p><b>2.66</b> To maintain reserves in accordance with the <i>Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice</i> (CIPFA/LASAAC) and agreed accounting policies.</p> <p><b>2.67</b> For each reserve established, the purpose, usage and basis of transactions should be clearly identified.</p> <p><b>2.68</b> Authorisation of expenditure funded from reserves by the Finance, Audit and Performance Management Committee.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>2.69</b> To advise the Fire &amp; Rescue Authority and Finance, Audit and Performance Management Committee on prudent levels of reserves for the Authority, and to take account of the advice of the external auditor in this matter.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p> <p><b>2.70</b> To ensure that resources are used only for the purposes for which they were intended</p>	<p>FA 18.5.09 Min No. 150</p>



<p><b>Key controls</b></p> <p><b>3.03</b> The key controls for risk management are:</p> <ul style="list-style-type: none"> <li>(a) procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the Authority</li> <li>(b) a monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis</li> <li>(c) managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives</li> <li>(d) provision is made for losses that might result from the risks that remain</li> <li>(e) procedures are in place to investigate claims within required timescales</li> <li>(f) acceptable levels of risk are determined and insured against where appropriate</li> <li>(g) the Authority has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Chief Fire Officer</b></p> <p><b>3.04</b> To prepare and promote the Authority's Risk Management Policy Statement.</p> <p><b>3.05</b> To develop Risk Management controls in conjunction with other Principal Officers.</p> <p><b>Responsibilities of the Treasurer</b></p> <p><b>3.06</b> To include all appropriate employees of the Authority in a suitable fidelity guarantee insurance.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

<p><b>3.07</b> To effect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with other officers, where necessary.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p>	
<p><b>3.08</b> To notify the Treasurer immediately of any loss, liability or damage that may lead to a claim against the Authority, together with any information or explanation required by the Treasurer or the Authority's insurers.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.09</b> To take responsibility for risk management, having regard to advice from the Chief Fire Officer and other specialist officers (eg crime prevention, fire prevention, health and safety).</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.10</b> To ensure that there are regular reviews of risk within their departments.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.11</b> To notify the Treasurer promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.12</b> To consult the Treasurer and the ACO Corporate Support on the terms of any indemnity that the Authority is requested to give.</p>	<p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>
<p><b>3.13</b> 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</p>	<p>FA 18.5.09 Min No. 150</p>

<b>INTERNAL CONTROLS</b>	
<b>Why is this important?</b>	
<b>3.14</b> The Authority is complex and beyond the direct control of individuals. It therefore requires internal controls to manage and monitor progress towards strategic objectives.	FA 18.5.09 Min No. 150
<b>3.15</b> The Authority has statutory obligations, and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.	FA 18.5.09 Min No. 150
<b>3.16</b> The Authority faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.	FA 18.5.09 Min No. 150
<b>3.17</b> The system of internal controls is established in order to provide measurable achievement of:	FA 18.5.09 Min No. 150
<ul style="list-style-type: none"> <li>(a) efficient and effective operations</li> <li>(b) reliable financial information and reporting</li> <li>(c) compliance with laws and regulations</li> <li>(d) risk management.</li> </ul>	

<p><b>Key controls</b></p> <p><b>3.18</b> The key controls and control objectives for internal control systems are:</p> <ul style="list-style-type: none"> <li>(a) key controls should be reviewed on a regular basis and the Authority should make a formal statement annually to the effect that it is satisfied that the systems of internal control are operating effectively.</li> <li>(b) managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities</li> <li>(c) financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems</li> <li>(d) an effective internal audit function that is properly resourced. It should operate in accordance with the principles contained in the Auditing Practices Board's auditing guideline <i>Guidance for Internal Auditors</i>, CIPFA's <i>Code of Practice for Internal Audit in Local Government in the United Kingdom</i> and with any other statutory obligations and regulations.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>3.19</b> To assist the Authority to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>Responsibilities of Principal Officers</b></p> <p><b>3.20</b> To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.</p> <p><b>3.21</b> To review existing controls in the light of changes affecting the Authority and to establish and implement new ones in line with guidance from the Treasurer. Principal Officers should also be responsible for removing controls that are unnecessary or not cost or risk effective – for example, because of duplication.</p> <p><b>3.22</b> To ensure staff have a clear understanding of the consequences of lack of control.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>AUDIT REQUIREMENTS</b></p> <p>Internal audit</p> <p><b>Why is this important?</b></p> <p><b>3.23</b> The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit (Wales) Regulations 2005, regulation 6, more specifically require that a “relevant body shall maintain an adequate and effective system of internal audit of their accounting records and of its sytem of internal control in accordance with proper internal audit practices”.</p> <p><b>3.24</b> Accordingly, internal audit is an independent and objective appraisal function established by the Authority for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>



<b>Responsibilities of Principal Officers</b>	
<b>3.29</b> To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.	FA 18.5.09 Min No. 150
<b>3.30</b> To ensure that auditors are provided with any information and explanations that they seek in the course of their work.	FA 18.5.09 Min No. 150
<b>3.31</b> To consider and respond promptly to recommendations in audit reports.	FA 18.5.09 Min No. 150
<b>3.32</b> To ensure that any agreed actions arising from	FA 18.5.09 Min No. 150
<b>3.33</b> audit recommendations are carried out in a timely and efficient fashion.	FA 18.5.09 Min No. 150
<b>3.34</b> To notify the ACO Corporate Support immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Authority's property or resources. Pending investigation and reporting, the principal officer should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.	FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09
<b>Responsibilities of Director of Finance</b>	
<b>3.34</b> To ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the head of internal audit prior to implementation.	FA 18.5.09 Min No. 150
External audit	
<b>Why is this important?</b>	
<b>3.35</b> The Public Audit (Wales) Act 2004 established an audit and inspection body for Wales, the Wales Audit Office. which is responsible for appointing external auditors to each Local Authority in Wales. The external auditor has rights of access to all documents and information necessary for audit purposes.	FA 18.5.09 Min No. 150



<p><b>Responsibilities of the Treasurer</b></p> <p><b>3.39</b> 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.</p> <p><b>3.40</b> To ensure there is effective liaison between external and internal audit.</p> <p><b>3.41</b> To work with the external auditor and advise the Fire &amp; Rescue Authority, Finance Audit and Performance Management Committee and Principal Officers on their responsibilities in relation to external audit.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p> <p><b>3.42</b> 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.</p> <p><b>3.43</b> To ensure that all records and systems are up to date and available for inspection.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>PREVENTING FRAUD AND CORRUPTION</b></p> <p><b>Why is it this important?</b></p> <p><b>3.44</b> The Authority will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Authority.</p> <p><b>3.45</b> The Authority's expectation of propriety and accountability is that members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.</p> <p><b>3.46</b> The Authority also expects that individuals and organisations (eg suppliers, contractors, service providers) with whom it comes into contact will act towards the Authority with integrity and without thought or actions involving fraud and corruption.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

<p><b>Key controls</b></p> <p><b>3.47</b> The key controls regarding the prevention of financial irregularities are that:</p> <ul style="list-style-type: none"> <li>(a) the Authority has an effective anti-fraud and anti-corruption policy and maintains a culture that will not tolerate fraud or corruption</li> <li>(b) all members and staff act with integrity and lead by example</li> <li>(c) senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Authority or who are corrupt</li> <li>(d) high standards of conduct are promoted amongst Members by the Standards Committee</li> <li>(e) the maintenance of a register of interests in which any hospitality or gifts accepted must be recorded</li> <li>(f) whistle blowing procedures are in place and operate effectively</li> <li>(g) legislation including the Public Interest Disclosure Act 1998 is adhered to.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>3.48</b> To develop and maintain an anti-fraud and anti-corruption policy.</p> <p><b>3.49</b> To maintain adequate and effective internal control arrangements.</p> <p><b>3.50</b> To ensure that all suspected irregularities are reported to the internal auditors, the Chief Fire Officer and the ACO Corporate Support.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>
<p><b>Responsibilities of Principal Officers</b></p> <p><b>3.51</b> To ensure that all suspected irregularities are reported to the Treasurer.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>3.52</b> To instigate the Authority's Disciplinary Procedures where the outcome of an audit investigation indicates improper behaviour.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.53</b> To ensure that where financial impropriety is discovered, the Treasurer is notified and procedures contained within the Anti Fraud and Corruption policy are followed.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.54</b> To maintain an organisational register of interests.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>ASSETS</b></p> <p>Security</p> <p><b>Why is this important?</b></p> <p><b>3.55</b> 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 are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
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<p><b>Key controls</b></p> <p><b>3.56</b> The key controls for the security of resources such as land, buildings, fixed plant machinery, equipment, software and information are:</p> <ul style="list-style-type: none"> <li>(a) resources are used only for the purposes of the Authority and are properly accounted for</li> <li>(b) resources are available for use when required</li> <li>(c) resources no longer required are disposed of in accordance with the law and the regulations of the Authority so as to maximise benefits</li> <li>(d) an asset register is maintained for the Authority, assets are recorded when they are acquired by the Authority and this record is updated as changes occur with respect to the location and condition of the asset</li> <li>(e) all staff are aware of their responsibilities with regard to safeguarding the Authority's assets and information, including the requirements of the Data Protection Act and software copyright legislation</li> <li>(f) all staff are aware of their responsibilities with regard to safeguarding the security of the Authority's computer systems, including maintaining restricted access to the information held on them and compliance with the Authority's computer and internet security policies.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>3.57</b> To ensure that an asset register is maintained in accordance with good practice for all fixed assets with a value in excess of £10,000. The function of the asset register is to provide the Authority with information about fixed assets so that they are:</p> <ul style="list-style-type: none"> <li>▪ safeguarded</li> <li>▪ used efficiently and effectively</li> <li>▪ adequately maintained.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>

<p><b>3.58</b> To receive the information required for accounting, costing and financial records from each Principal officer.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.59</b> To ensure that assets are valued in accordance with the <i>Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice</i> (CIPFA/LASAAC).</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.60</b> To record all disposal or part exchange of assets that should normally be by competitive tender or public auction, unless, the Fire &amp; Rescue Authority agrees otherwise.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.61</b> To arrange for the valuation of assets for accounting purposes.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p>	
<p><b>3.62</b> The appropriate Principal officer shall maintain a property database in a form approved by the Treasurer for all properties, plant and machinery and moveable assets currently owned or used by the Authority. Any use of property by a department or establishment other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.63</b> To ensure that lessees and other prospective occupiers of Authority land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the ACO Corporate Support has been established as appropriate.</p>	<p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>
<p><b>3.64</b> To ensure the proper security of all buildings and other assets under their control.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.65</b> Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a report by the appropriate Principal Officer.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.66</b> To pass title deeds to the ACO Corporate Support who is responsible for custody of all title deeds.</p>	<p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>
<p><b>3.67</b> To ensure that no Authority asset is subject to personal use by an employee without proper authority.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>3.68</b> To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Authority.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.69</b> To ensure that the department maintains a register of moveable assets in accordance with approved procedures.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.70</b> To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.71</b> To consult the ACO Corporate Support in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.</p>	<p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>
<p><b>3.72</b> To ensure cash holdings on premises are kept to a minimum.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.73</b> To ensure that keys to safes and similar receptacles are carried on the person of those responsible at all times; loss of any such keys must be reported to the ACO Corporate Support as soon as possible.</p>	<p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>
<p><b>3.74</b> To ensure that all 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.</p>	<p>FA 18.5.09 Min No. 150</p>
<p>Inventories</p>	
<p><b>3.75</b> To maintain inventories and record an adequate description of furniture, fittings, equipment, plant and machinery.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.76</b> To carry out an annual check of all items on the inventory in order to verify location, review, condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers and cameras should be identified with security markings as belonging to the Authority.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>3.77</b> To make sure that property is only used in the course of the Authority's business, unless the principal officer concerned has given permission otherwise.</p>	<p>FA 18.5.09 Min No. 150</p>
<p>Stocks and stores</p>	
<p><b>3.78</b> To make arrangements for the care and custody of stocks and stores in the department.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.79</b> To ensure stocks are maintained at reasonable levels and are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.80</b> To investigate and remove from the Authority's records (ie write off) discrepancies as necessary, or to obtain Finance Audit and Performance Management Committee approval if they are in excess of a predetermined limit.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.81</b> Appropriate Principal officers to authorise or write off disposal of redundant stocks and equipment, in accordance with the scheme of delegation. Procedures for disposal of such stocks and equipment should be by competitive quotations or auction, unless, following consultation with the Treasurer, the Finance Audit and Performance Management Committee decides otherwise in a particular case.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.82</b> To seek Finance Audit and Performance Management Committee approval to the write-off of redundant stocks and equipment in excess of a predetermined sum.</p>	<p>FA 18.5.09 Min No. 150</p>
<p>Intellectual property</p>	
<p><b>Why is this important?</b></p>	
<p><b>3.83</b> Intellectual property is a generic term that includes inventions and writing. If these are created by the employee during the course of employment, then, as a general rule, they belong to the employer, not the employee. Various Acts of Parliament cover different types of intellectual property.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.84</b> Certain activities undertaken within the Authority may give rise to items that may be patentable, for example, software development. These items are collectively known as intellectual property.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>Key controls</b></p> <p><b>3.85</b> In the event that the Authority decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with the Authority's approved intellectual property procedures.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>3.86</b> To develop and disseminate good practice through the Authority's intellectual property procedures.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p> <p><b>3.87</b> To ensure that controls are in place to ensure that staff do not carry out private work in Authority time and that staff are aware of an employer's rights with regard to intellectual property.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p> <p><b>3.87</b> To ensure that controls are in place to ensure that staff do not carry out private work in Authority time and that staff are aware of an employer's rights with regard to intellectual property.</p>	<p>FA 18.5.09 Min No. 150</p>

<p>Asset disposal</p> <p><b>Why is this important?</b></p> <p><b>3.88</b> It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the regulations of the Authority.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Key controls</b></p> <p><b>3.89</b> Assets for disposal are identified and are disposed of at the most appropriate time, and only when it is in the best interests of the Authority, and best price is obtained, bearing in mind other factors, such as environmental issues. For items of significant value, disposal should be by competitive tender or public auction.</p> <p><b>3.90</b> Procedures protect staff involved in the disposal from accusations of personal gain.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>3.91</b> To issue guidelines representing best practice for disposal of assets.</p> <p><b>3.92</b> To ensure appropriate accounting entries are made to remove the value of disposed assets from the Authority's records and to include the sale proceeds if appropriate.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p> <p><b>3.93</b> To seek advice from procurement staff on the disposal of surplus or obsolete materials, stores or equipment.</p> <p><b>3.94</b> To ensure that income received for the disposal of an asset is properly banked and coded.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

<p><b>TREASURY MANAGEMENT</b></p> <p><b>Why is this important?</b></p> <p><b>3.95</b> Many millions of pounds pass through the Authority's books each year. This led to the establishment of codes of practice. These aim to provide assurances that the Authority's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the Authority's capital sum.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Key controls</b></p> <p><b>3.96</b> That the Authority's borrowings and investments comply with the CIPFA <i>Code of Practice on Treasury Management</i> and with the Authority's treasury policy statement.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Treasurer – treasury management and banking</b></p> <p><b>3.97</b> To arrange the borrowing and investments of the Authority in such a manner as to comply with the CIPFA <i>Code of Practice on Treasury Management</i> and the Authority's treasury management policy statement and strategy.</p> <p><b>3.98</b> To report twice a year on treasury management activities to the Finance Audit and Performance Management Committee or Fire and Rescue Authority..</p> <p><b>3.99</b> To operate bank accounts as are considered necessary – opening or closing any bank account shall require the approval of the Treasurer.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers – treasury management and banking</b></p> <p><b>3.100</b> To follow the instructions on banking issued by the Treasurer.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Treasurer – investments and borrowing</b></p> <p><b>3.101</b> To ensure that all investments of money are made in the name of the Authority or in the name of nominees approved by the Fire &amp; Rescue Authority.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>3.102</b> To ensure that all securities that are the property of the Authority or its nominees and the title deeds of all property in the Authority's ownership are held in the custody of the appropriate Principal Officer.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.103</b> To effect all borrowings in the name of the Authority.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.104</b> To act as the Authority's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Authority.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.105</b> To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Fire &amp; Rescue Authority.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers – trust funds and funds held for third parties</b></p>	
<p><b>3.106</b> To arrange for all trust funds to be held, wherever possible, in the name of the Authority. All officers acting as trustees by virtue of their official position shall deposit securities, etc relating to the trust with the Treasurer, unless the deed otherwise provides.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.107</b> To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Treasurer, and to maintain written records of all transactions.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.108</b> To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer – imprest accounts</b></p>	
<p><b>3.109</b> To provide employees of the Authority with cash or bank imprest accounts to meet minor expenditure on behalf of the Authority and to prescribe rules for operating these accounts. Minor items of expenditure should not exceed the prescribed amount.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>3.110</b> To determine the petty cash limit and to maintain a record of all transactions and petty cash advances made, and periodically to review the arrangements for the safe custody and control of these advances.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>3.111</b> To reimburse imprest holders as often as necessary to restore the imprests, but normally not more than monthly.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers – imprest accounts</b></p>	
<p><b>3.112</b> To ensure that employees operating an imprest account:</p>	<p>FA 18.5.09 Min No. 150</p>
<ul style="list-style-type: none"> <li>(a) obtain and retain vouchers to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained</li> <li>(b) make adequate arrangements for the safe custody of the account</li> <li>(c) produce upon demand by the Treasurer cash and all vouchers to the total value of the imprest amount</li> <li>(d) record transactions promptly</li> <li>(e) reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder</li> <li>(f) provide the Treasurer with a certificate of the value of the account held at 31 March each year</li> <li>(g) ensure that the float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made</li> <li>(h) on leaving the Authority's employment or otherwise ceasing to be entitled to hold an imprest advance, an employee shall account to the Treasurer for the amount advanced to him or her.</li> </ul>	

<p><b>STAFFING</b></p> <p><b>Why is this important?</b></p> <p><b>3.113</b> In order to provide the highest level of service, it is crucial that the Authority recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Key controls</b></p> <p><b>3.114</b> The key controls for staffing are:</p> <ul style="list-style-type: none"> <li>(a) an appropriate staffing strategy and policy exists, in which staffing requirements and budget allocation are matched</li> <li>(b) procedures are in place for forecasting staffing requirements and cost</li> <li>(c) controls are implemented that ensure that staff time is used efficiently and to the benefit of the Authority</li> <li>(d) checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>3.115</b> To ensure that budget provision exists for all existing and new employees.</p> <p><b>3.116</b> To act as an advisor to Principal officers on areas such as National Insurance and pension contributions, as appropriate.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p> <p><b>3.117</b> To produce an annual staffing budget.</p> <p><b>3.118</b> To ensure that the staffing budget is an accurate forecast of staffing levels and is equated to an appropriate revenue budget provision (including on-costs and overheads).</p> <p><b>3.119</b> To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

**3.120** To ensure that the staffing budget is not exceeded without due Authority and that it is managed to enable the agreed level of service to be provided.

FA 18.5.09  
Min No. 150

**3.121** To ensure that the ACO People Services and the Treasurer are immediately informed if the staffing budget is likely to be materially over- or underspent.

FA 18.5.09  
Min No. 150  
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<p style="text-align: right;">Appendix D</p> <h1 style="margin-top: 100px;">Financial Systems and Procedures</h1>	<p>FA 18.5.09 Min No. 150</p>
<p><b>GENERAL</b></p> <p><b>Why is this important?</b></p> <p><b>4.01</b> Departments have many systems and procedures relating to the control of the Authority's assets, including purchasing, costing and management systems. Departments are increasingly reliant on computers 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 ensure that transactions are properly processed and errors detected promptly.</p> <p><b>4.02</b> The Treasurer has a professional responsibility to ensure that the Authority's financial systems are sound and should therefore be notified of any new developments or changes.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>Key controls</b></p> <p>The key controls for systems and procedures are:</p> <ul style="list-style-type: none"> <li>(a) basic data exists to enable the Authority's objectives, targets, budgets and plans to be formulated</li> <li>(b) performance is communicated to the appropriate managers on an accurate, complete and timely basis</li> <li>(c) early warning is provided of deviations from target, plans and budgets that require management attention</li> <li>(d) operating systems and procedures are secure.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>

<p><b>Responsibilities of the Treasurer</b></p> <p><b>4.03</b> To make arrangements for the proper administration of the Authority's financial affairs, including to:</p> <ul style="list-style-type: none"> <li>(a) issue advice, guidance and procedures for officers and others acting on the Authority's behalf</li> <li>(b) determine the accounting systems, form of accounts and supporting financial records</li> <li>(c) establish arrangements for audit of the Authority's financial affairs</li> <li>(d) approve any new financial systems to be introduced</li> <li>(e) approve any changes to be made to existing financial systems.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p> <p><b>4.04</b> To ensure that accounting records are properly maintained and held securely.</p> <p><b>4.05</b> To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Treasurer.</p> <p><b>4.06</b> To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.</p> <p><b>4.07</b> To incorporate appropriate controls to ensure that, where relevant:</p> <ul style="list-style-type: none"> <li>(a) all input is genuine, complete, accurate, timely and not previously processed</li> <li>(b) all processing is carried out in an accurate, complete and timely manner</li> <li>(c) output from the system is complete, accurate and timely.</li> </ul>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

<p><b>4.08</b> To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.09</b> To ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.10</b> To ensure that systems are documented and staff trained in operations.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.11</b> To establish a Scheme of Delegation identifying officers authorised to act upon the Principal Officer's behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their Authority.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.12</b> To supply lists of authorised officers, with specimen signatures and delegated limits, to the Treasurer, together with any subsequent variations.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.13</b> To ensure that effective contingency 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 at an alternative location within the building.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.14</b> To ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.15</b> To ensure that relevant standards and guidelines for computer systems issued by the principal officer are observed.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.16</b> To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>4.17</b> To comply with the copyright, designs and patents legislation and, in particular, to ensure that:</p> <ul style="list-style-type: none"> <li>(a) only software legally acquired and installed by the Authority is used on its computers</li> <li>(b) staff are aware of legislative provisions</li> <li>(c) in developing systems, due regard is given to the issue of intellectual property rights.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>INCOME AND EXPENDITURE</b></p> <p>Income</p> <p><b>Why is this important?</b></p> <p><b>4.18</b> Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the Authority's cashflow and also avoids the time and cost of administering debts.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

<p><b>Key controls</b></p> <p><b>4.19</b> The key controls for income are:</p> <ul style="list-style-type: none"> <li>(a) all income due to the Authority is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed</li> <li>(b) all income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery</li> <li>(c) all money received by an employee on behalf of the Authority is paid without delay to the Treasurer or, as he or she directs, to the Authority's bank or National Giro account, and properly recorded. The responsibility for cash collection should be separated from that: <ul style="list-style-type: none"> <li>▪ for identifying the amount due</li> <li>▪ for reconciling the amount due to the amount received</li> </ul> </li> <li>(d) effective action is taken to pursue non-payment within defined timescales</li> <li>(e) formal approval for debt write-off is obtained</li> <li>(f) appropriate write-off action is taken within defined timescales</li> <li>(g) appropriate accounting adjustments are made following write-off action</li> <li>(h) all appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule</li> <li>(i) money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>4.20</b> To agree arrangements for the collection of all income due to the Authority and to approve the procedures, systems and documentation for its collection.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>4.21</b> To order and supply to departments all receipt forms, books or tickets and similar items and to satisfy himself or herself regarding the arrangements for their control.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.22</b> To agree the write-off of bad debts up to an approved limit in each case and to refer larger sums to the Finance Audit and Performance Management Committee.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.23</b> To approve all debts to be written off in consultation with the relevant Principal Officer and to keep a record of all sums written off up to the approved limit and to adhere to the requirements of the Accounts and Audit Regulations 1996.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.24</b> To obtain the approval of the Finance Audit and Performance Management Committee in consultation with the relevant principal officer for writing off debts in excess of the approved limit.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.25</b> To ensure that appropriate accounting adjustments are made following write-off action.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p>	
<p><b>4.26</b> To establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, and to review it regularly, in line with corporate policies.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.27</b> To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.28</b> To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>4.29</b> To issue official receipts or to maintain other documentation for income collection.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.30</b> To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.31</b> To hold securely receipts, tickets and other records of income for the appropriate period.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.32</b> To lock away all income to safeguard against loss or theft, and to ensure the security of cash handling.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.33</b> To ensure 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 on to paying-in slips to provide an audit trail. Money collected and deposited must be reconciled to the bank account on a regular basis.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.34</b> To ensure income is not used to cash personal cheques or other payments.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.35</b> To supply the Treasurer with details relating to work done, goods supplied, services rendered or other amounts due, to enable the Treasurer to record correctly the sums due to the Authority and to ensure accounts are sent out promptly. Principal Officers have a responsibility to assist the Treasurer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Authority's behalf. Only up to approved levels of cash can be held on the premises.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.36</b> To keep a record of every transfer of money between employees of the Authority. The receiving officer must sign for the transfer and the transferor must retain a copy.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>4.37</b> To recommend to the Treasurer all debts to be written off and to 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.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.38</b> To obtain the approval of the Treasurer when writing off debts in excess of the approved limit, and the approval of the Finance Audit and Performance Management Committee where required.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.39</b> To notify the Treasurer of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Treasurer and not later than 30 April.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Why is this important?</b></p> <p><b>4.40</b> Public money should be spent with demonstrable probity and in accordance with the Authority's policies. Authorities have a statutory duty to achieve best value in part through economy and efficiency. The Authority's procedures should help to ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the Authority's code of practice on tenders and contracts.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>General</b></p> <p><b>4.41</b> Every officer and Member of the Authority has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Authority, in accordance with appropriate Codes of Conduct.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>4.42</b> Official orders must be in a form approved by the Treasurer. Official orders must be issued for all work, goods or services to be supplied to the Authority, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions specified by the Treasurer.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.43</b> Each order must conform to the guidelines approved by the Fire &amp; Rescue Authority on central purchasing and the standardisation of supplies and materials. Standard terms and conditions must not be varied without the prior approval of the ACO Corporate Support.</p>	<p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>
<p><b>4.44</b> Apart from petty cash, the normal method of payment from the Authority shall be by cheque or other instrument or approved method, drawn on the Authority's bank account or National Giro account by the Treasurer. The use of direct debit shall require the prior agreement of the Treasurer.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.45</b> Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Authority contracts. This also applies to welfare, sports and similar committees within the service.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>Key controls</b></p> <p><b>4.46</b> The key controls for ordering and paying for work, goods and services are:</p> <ul style="list-style-type: none"> <li>(a) all goods and services are ordered only by appropriate persons and are correctly recorded</li> <li>(b) all goods and services shall be ordered in accordance with the Authority's Code of Practice for tenders and contracts unless they are purchased from sources within the Authority</li> <li>(c) goods and services received are checked to ensure they are in accordance with the order. Goods should not be received by the person who placed the order</li> <li>(d) payments are not made unless goods have been received by the Authority to the correct price, quantity and quality standards</li> <li>(e) all payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method</li> <li>(f) all appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention schedule</li> <li>(g) all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected</li> <li>(h) in addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>4.47</b> To ensure that all the Authority's financial systems and procedures are sound and properly administered.</p> <p><b>4.48</b> To approve any changes to existing financial systems and to approve any new systems before they are introduced.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

<p><b>4.49</b> To approve the form of official orders and associated terms and conditions.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.50</b> To make payments from the Authority's funds on the Principal officer's authorisation that the expenditure has been duly incurred in accordance with financial regulations.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.51</b> To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a Court Order.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.52</b> To make payments to contractors on the certificate of the appropriate Principal officer, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.53</b> To provide advice and encouragement on making payments by the most economical means.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.54</b> To ensure that a budgetary control system is established that enables commitments incurred by placing orders to be shown against the appropriate budget allocation so that they can be taken into account in budget monitoring reports.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p>	
<p><b>4.55</b> To ensure that unique pre-numbered official orders are used for all goods and services, other than the exceptions specified in 4.43.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.56</b> To ensure that orders are only used for goods and services provided to the Authority. Individuals must not use official orders to obtain goods or services for their private use.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>4.57</b> To ensure that only those staff authorised by him or her sign orders and to maintain an up-to-date list of such authorised staff, including specimen signatures identifying in each case the limits of their Authority. 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. Best value principles should underpin the Authority's approach to procurement. Value for money should always be achieved.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.58</b> To ensure that goods and services are checked on receipt to verify that 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. Appropriate entries should then be made in inventories or stores records.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.59</b> To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment, confirming:</p> <ul style="list-style-type: none"> <li>(a) receipt of goods or services</li> <li>(b) that the invoice has not previously been paid</li> <li>(c) that expenditure has been properly incurred and is within budget provision</li> <li>(d) that prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices</li> <li>(e) correct accounting treatment of tax</li> <li>(f) that the invoice is correctly coded</li> <li>(g) that discounts have been taken where available</li> <li>(h) that appropriate entries will be made in accounting records.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>

<p><b>4.60</b> To ensure that two authorised members of staff are involved in the ordering, receiving and payment process. If possible, a different officer from the person who signed the order, and in every case, a different officer from the person checking a written invoice, should authorise the invoice.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.61</b> To ensure that the department maintains and reviews periodically a list of staff approved to authorise invoices. Names of authorising officers together with specimen signatures and details of the limits of their Authority shall be forwarded to the Treasurer.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.62</b> To ensure that payments are not made on a photocopied or faxed invoice, statement or other document other than the formal invoice. Any instances of these being rendered should be reported to internal audit.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.63</b> To encourage suppliers of goods and services to receive payment by the most economical means for the Authority. It is essential, however, that payments made by direct debit have the prior approval of the Treasurer.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.64</b> To ensure that the department obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, with regard to the best practice guidelines issued by the Treasurer, which are in line with best value principles and contained in the Authority's code of practice for tenders and contracts.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.65</b> To utilise the central purchasing procedures established by the Treasurer in putting purchases, where appropriate, out to competitive quotation or tender. These will comply with the code of practice on tenders and contracts and will cover:</p> <p>(a) authorised officers and the extent of their Authority</p>	<p>FA 18.5.09 Min No. 150</p>

<ul style="list-style-type: none"> <li>(b) advertisement for tenders</li> <li>(c) procedure for creating, maintaining and revising a standard list of contractors</li> <li>(d) selection of tenderers</li> <li>(e) compliance with UK and EC legislation and regulations</li> <li>(f) procedures for the submission, receipt, opening and recording of tenders</li> <li>(g) the circumstances where financial or technical evaluation is necessary</li> <li>(h) procedures for negotiation</li> <li>(i) acceptance of tenders</li> <li>(j) the form of contract documentation</li> <li>(k) cancellation clauses in the event of corruption or bribery</li> <li>(l) contract records.</li> </ul>	
<p><b>4.66</b> To ensure that employees are aware of the National Code of Conduct for Local Government Employees (summarised in the Procedures and Conditions of Employment Manual).</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.67</b> To ensure that loans, leasing or rental arrangements are not entered into without prior agreement from the Treasurer. 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 that value for money is being obtained.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.68</b> To notify the 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 Treasurer and, in any case, not later than 30 April.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>4.69</b> With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Treasurer 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 subcontractors' tax status.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.70</b> To notify the Treasurer immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.</p> <p><b>4.71</b> To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention schedule.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p>Payments to employees and members</p> <p><b>Why is this important?</b></p> <p><b>4.72</b> Staff costs are the largest item of expenditure for most Authority services. It is therefore important that payments are accurate, timely, made only where they are due for services to the Authority and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that members' allowances are authorised in accordance with the scheme adopted by the Fire &amp; Rescue Authority.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

<p><b>Key controls</b></p> <p><b>4.73</b> The key controls for payments to employees and members are:</p> <p>(a) proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to:</p> <ul style="list-style-type: none"> <li>▪ starters</li> <li>▪ leavers</li> <li>▪ variations</li> <li>▪ enhancements</li> </ul> <p>and that payments are made on the basis of timesheets or claims</p> <p>(b) frequent reconciliation of payroll expenditure against approved budget and bank account</p> <p>(c) all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule</p> <p>(d) that HMRC regulations are complied with.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the ACO People Services</b></p> <p><b>4.74</b> To arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by him or her, on the due date.</p>	<p>DLAICT del. 7.1.6 31/08/09 FA 18.5.09 Min No. 150</p>
<p><b>4.75</b> To record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions.</p> <p><b>4.76</b> To make arrangements for payment of all travel and subsistence claims or financial loss allowance.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

<p><b>4.77</b> To make arrangements for paying Members travel or other allowances upon receiving the prescribed form, duly completed and authorised.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.78</b> To provide advice and encouragement to secure payment of salaries and wages by the most economical means.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.79</b> To ensure that there are adequate arrangements for administering superannuation matters on a day-to-day basis.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p>	
<p><b>4.80</b> To ensure 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.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.81</b> To notify the ACO People Services of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the ACO People Services.</p>	<p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>
<p><b>4.82</b> To ensure that adequate and effective systems and procedures are operated, so that:</p> <ul style="list-style-type: none"> <li>▪ payments are only authorised to bona fide employees</li> <li>▪ payments are only made where there is a valid entitlement</li> <li>▪ conditions and contracts of employment are correctly applied</li> <li>▪ employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.83</b> To send an up-to-date list of the names of officers authorised to sign records to the ACO People Services, together with specimen signatures. The payroll provider should have signatures of personnel officers and officers authorised to sign timesheets and claims.</p>	<p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>

<p><b>4.84</b> To ensure that payroll transactions are processed only through the payroll system. Principal Officers should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. The HMRC applies a tight definition for employee status, and in cases of doubt, advice should be sought from the ACO People Services.</p>	<p>FA 18.5.09 Min No. 150</p> <p>DLAICT del. 7.1.6 31/08/09</p>
<p><b>4.85</b> To certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Authority, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and that the ACO People Services is informed where appropriate.</p>	<p>FA 18.5.09 Min No. 150</p> <p>DLAICT del. 7.1.6 31/08/09</p>
<p><b>4.86</b> To ensure that the ACO People Services is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.</p>	<p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p>
<p><b>4.87</b> To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of members</b></p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>4.88</b> To submit claims for Members' travel and subsistence allowances on a monthly basis and, in any event, within one month of the year end.</p>	

<p><b>TAXATION</b></p> <p><b>Why is this important?</b></p> <p><b>4.89</b> Like all organisations, the Authority is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Key controls</b></p> <p><b>4.90</b> The key controls for taxation are:</p> <ul style="list-style-type: none"> <li>(a) budget managers are provided with relevant information and kept up to date on tax issues</li> <li>(b) budget managers are instructed on required record keeping</li> <li>(c) all taxable transactions are identified, properly carried out and accounted for within stipulated timescales</li> <li>(d) records are maintained in accordance with instructions</li> <li>(e) returns are made to the appropriate authorities within the stipulated timescale.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>4.91</b> To complete a monthly return of VAT inputs and outputs to HMRC.</p> <p><b>4.92</b> To provide details to the HMRC regarding the construction industry tax deduction scheme.</p> <p><b>4.93</b> Maintain up-to-date guidance for Authority employees on taxation issues.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the ACO People Services</b></p> <p><b>4.94</b> To complete all HMRC returns regarding PAYE.</p>	<p>DLAICT del. 7.1.6 31/08/09</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>4.95</b> To ensure that all persons employed by the Authority are added to the Authority's payroll and tax deducted</p>	<p>FA 18.5.09 Min No. 150</p>

<p>from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.</p>	
<p><b>Responsibilities of Principal Officers</b></p> <p><b>4.96</b> To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HMRC regulations.</p> <p><b>4.97</b> To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.</p> <p><b>4.98</b> To follow the guidance on taxation issued by the Treasurer.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

# External Arrangements

## PARTNERSHIPS

FA 18.5.09  
Min No. 150

### Why is this important?

**5.01** Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Authorities are working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Authorities still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.

FA 18.5.09  
Min No. 150

**5.02** Authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Authorities will be measured by what they achieve in partnership with others.

FA 18.5.09  
Min No. 150

### General

**5.03** The main reasons for entering into a partnership are:

FA 18.5.09  
Min No. 150

- (a) the desire to find new ways to share risk
- (b) the ability to access new resources
- (c) to provide new and better ways of delivering services
- (d) to forge new relationships.

**5.04** A partner is defined as either:

(a) an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project

or

(b) a body whose nature or status give it a right or obligation to support the project.

FA 18.5.09  
Min No. 150

**5.05** Partners participate in projects by:

(a) acting as a project deliverer or sponsor, solely or in concert with others

(b) acting as a project funder or part funder

(c) being the beneficiary group of the activity undertaken in a project.

FA 18.5.09  
Min No. 150

**5.06** Partners have common responsibilities:

(a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation

(b) to act in good faith at all times and in the best interests of the partnership's aims and objectives

(c) be open about any conflict of interests that might arise

(d) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors

(e) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature

(f) to act wherever possible as ambassadors for the project.

FA 18.5.09  
Min No. 150

<p><b>Key controls</b></p> <p><b>5.07</b> The key controls for Authority partners are:</p> <ul style="list-style-type: none"> <li>(a) if appropriate, to be aware of their responsibilities under the Authority's financial regulations and the code of practice on tenders and contracts</li> <li>(b) to ensure that risk management processes are in place to identify and assess all known risks</li> <li>(c) to ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise</li> <li>(d) to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences</li> <li>(e) to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>5.08</b> To advise on effective controls that will ensure that resources are not wasted.</p> <p><b>5.09</b> To advise on the key elements of funding a project. They include:</p> <ul style="list-style-type: none"> <li>(a) a scheme appraisal for financial viability in both the current and future years</li> <li>(b) risk appraisal and management</li> <li>(c) resourcing, including taxation issues</li> <li>(d) audit, security and control requirements</li> <li>(e) carry-forward arrangements.</li> </ul>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

<p><b>5.10</b> To ensure that the accounting arrangements are satisfactory.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p>	
<p><b>5.11</b> To maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the Treasurer.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>5.12</b> To ensure that, before entering into agreements with external bodies, Corporate Management Team approval has been made.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>5.13</b> To ensure that such agreements and arrangements do not impact adversely upon the services provided by the Authority.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>5.14</b> To ensure that all agreements and arrangements are properly documented.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>5.15</b> To provide appropriate information to the Treasurer to enable a note to be entered into the Authority's statement of accounts concerning material items.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>EXTERNAL FUNDING</b></p>	
<p><b>Why is this important?</b></p>	
<p><b>5.16</b> External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Authority. Authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external agencies such as the Welsh Assembly Government and the National Lottery provide additional resources to enable the Authority to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Authority's overall plan.</p>	<p>FA 18.5.09 Min No. 150</p>

<p><b>Key controls</b></p> <p><b>5.17</b> The key controls for external funding are:</p> <ul style="list-style-type: none"> <li>(a) to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood</li> <li>(b) to ensure that funds are acquired only to meet the priorities approved in the policy framework by the Fire &amp; Rescue Authority</li> <li>(c) to ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.</li> </ul>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of the Treasurer</b></p> <p><b>5.18</b> To ensure that all funding notified by external bodies is received and properly recorded in the Authority's accounts.</p> <p><b>5.19</b> To ensure that the match-funding requirements are considered prior to entering into the agreements and that future Revenue Budgets reflect these requirements.</p> <p><b>5.20</b> To ensure that audit requirements are met.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p> <p><b>5.21</b> To ensure that all applications for funding are approved by the Head of Finance prior to submission</p> <p><b>5.22</b> To ensure that all claims for funds are made by the due date.</p> <p><b>5.23</b> To ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.</p>	<p>FA 18.5.09 Min No. 150 DLAICT del. 7.1.6 31/08/09</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

<p><b>WORK FOR THIRD PARTIES</b></p> <p><b>Why is this important?</b></p> <p><b>5.24</b> Current legislation enables the Authority to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work is minimised and that such work is intra vires.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Key controls</b></p> <p><b>5.25</b> The key controls for working with third parties are:</p> <ul style="list-style-type: none"> <li>(a) to ensure that proposals are costed properly in accordance with guidance provided by the Treasurer</li> <li>(b) to ensure that contracts are drawn up using guidance provided by the ACO Corporate Support and that the formal approvals process is adhered to</li> <li>(c) to issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.</li> </ul>	<p>FA 18.5.09 Min No. 150</p> <p>DLAICT del. 7.1.6 31/08/09</p>
<p><b>Responsibilities of Treasurer</b></p> <p><b>5.26</b> To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.</p>	<p>FA 18.5.09 Min No. 150</p>
<p><b>Responsibilities of Principal Officers</b></p> <p><b>5.27</b> To ensure that the approval of the Fire &amp; Rescue Authority is obtained before any negotiations are concluded to work for third parties.</p> <p><b>5.28</b> To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Treasurer.</p> <p><b>5.29</b> To ensure that appropriate insurance arrangements are made.</p>	<p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p> <p>FA 18.5.09 Min No. 150</p>

5.30 To ensure that the Authority is not put at risk from any bad debts.	FA 18.5.09 Min No. 150
5.31 To ensure that no contract is subsidised by the Authority.	FA 18.5.09 Min No. 150
5.32 To ensure that, wherever possible, payment is received in advance of the delivery of the service.	FA 18.5.09 Min No. 150
5.33 To ensure that the department/unit has the appropriate expertise to undertake the contract.	FA 18.5.09 Min No. 150
5.34 To ensure that such contracts do not impact adversely upon the services provided for the Authority.	FA 18.5.09 Min No. 150
5.35 To ensure that all contracts are properly documented.	FA 18.5.09 Min No. 150
5.36 To provide appropriate information to the Treasurer to enable a note to be entered into the statement of accounts.	FA 18.5.09 Min No. 150