

FINANCIAL PROCEDURE RULES

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SECTION 1 – STATUS

1.1	Financial Procedure Rules provide the framework for managing the Authority's financial affairs, and are part of the South Wales Fire Authority's constitution. They apply to every member and officer of the Authority, and anyone acting on its behalf.	FA 26.03.12 Min No. 131.4
1.2	The purpose of the Financial Procedure Rules is to ensure that public accountability and high standards of financial integrity are exercised in the control of public funds that pass through the Authority. The Financial Procedure Rules govern the day to day operation of the Authority's financial administration. They are introduced both to protect the interests of the Authority, and all those who are involved with financial administration.	FA 26.03.12 Min No. 131.4
1.3	All members and officers 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, properly authorised, provides value for money and achieves best value.	FA 26.03.12 Min No. 131.4
1.4	The Treasurer is responsible for maintaining a continuous review of the Financial Procedure Rules, and for submitting any additions or changes necessary to the Authority for approval. The Treasurer is also responsible for reporting, where appropriate, any breaches of Financial Procedure Rules. In the event of dispute as to the meaning of any of the provisions of the Financial Procedure Rules the matter shall be determined by the Treasurer, whose decision shall be final. In the absence of the Treasurer, these duties may be discharged by the Head of Finance and Procurement.	FA 26.03.12 Min No. 131.4
1.5	Where in the Financial Procedure Rules, an officer is designated by reference to his/ her job title, the responsibilities shall relate to the post holder. Such an officer may arrange for officers under his/ her supervision or management to carry out any of the obligations, duties or activities required to be performed by him/ her under the Financial Procedure Rules, or to act in his/ her absence, provided that the named post holder shall retain responsibility to the Authority.	FA 26.03.12 Min No. 131.4
1.6	The Treasurer, and in his/ her absence the Head of Finance and Procurement is responsible for issuing advice and guidance to underpin the Financial Procedure Rules that members, officers and others acting on behalf of the Fire and Rescue Authority are required to follow.	FA 26.03.12 Min No. 131.4

1.7	Principal Officers are responsible for ensuring that all staff in their service areas are aware of the existence and content of the Authority's Financial Procedure Rules, and guidance documents issued by the Treasurer, and that they comply with them. Failure to comply with the Financial Procedure Rules, or the instructions issued under them, or any arrangements made for the purposes of them, will constitute misconduct.	FA 26.03.12 Min No. 131.4
1.8	Other related documents approved by the Authority include the Procedural, General and Contract Standing Orders, Scheme of Delegations and Codes of Conduct.	FA 26.03.12 Min No. 131.4

SECTION 2 – FINANCIAL MANAGEMENT

General

Managing Expenditure

Treatment of Year End Balances

Accounting Policies

Accounting Records and Returns

Annual Statement of Accounts

General

Why is this Important?

2.1	Financial management covers all financial accountabilities in relation to the running of the Authority, including the budget and policy framework. 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.	FA 26.03.12 Min No. 131.4
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Key Controls

2.2	The key controls for financial management are:- <ul style="list-style-type: none"> • to ensure the promotion of proper financial management throughout the Authority; • to have a system in place to review compliance with financial standards. 	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

2.3	To be responsible, for the purposes of Section 112(2)(b) Local Government and Finance Act 1988 (as amended by the Fire and Rescue Services Act 2004 Sch 1, para 68 (3) and section 114 of the Local Government and Finance Act 1988 for the proper administration of the Authority's financial affairs.	FA 26.03.12 Min No. 131.4
2.4	As the Authority's financial adviser, to :- <ul style="list-style-type: none"> • report to the Authority on resource availability and resources allocation. • advise the Authority of the financial implications of proposals submitted to them. • keep the Authority informed with respect to the Authority's finances and financial performance and other committees informed with respect to financial implications of their activities. 	FA 26.03.12 Min No. 131.4

	<ul style="list-style-type: none"> advise on financial systems and procedures for all service areas of the Authority including advice to the Authority if inadequate systems exist. advise the Authority on the financial aspects of all policy matters. 	
2.5	To set the financial management standards and to monitor compliance with them.	FA 26.03.12 Min No. 131.4
2.6	To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards of finance staff throughout the Authority.	FA 26.03.12 Min No. 131.4
2.7	The Treasurer shall, after consultation with the Monitoring Officer, personally make a report to the external auditor and each elected member if it appears to him/ her that a Member, officer or partnership which the Authority is represented: <ul style="list-style-type: none"> has made or is about to make a decision which involves or would involve the Authority in unlawful expenditure; has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority; is about to enter an item of account the entry of which is unlawful. 	FA 26.03.12 Min No. 131.4
2.8	He shall also make such a report if it appears to him/ her that the expenditure of the Authority incurred (and proposed to incur) in a financial year is likely to exceed the resources (including borrowings) available to meet that expenditure.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

2.9	To ensure that the Financial Procedure Rules are followed and brought to the attention of all employees in their service areas.	FA 26.03.12 Min No. 131.4
2.10	To be responsible, in consultation with the Treasurer for: <ul style="list-style-type: none"> the financial administration of their service areas in compliance with the Financial Procedure Rules; the monitoring and control of expenditure against their service area capital and revenue budgets. the design and operation of systems of internal control capable of: <ul style="list-style-type: none"> carrying out the activities of the Authority in an effective and efficient manner; ensuring adherence to the Authority Policy Framework and Budget; safeguarding assets; securing, as far as possible, the completeness and 	FA 26.03.12 Min No. 131.4

	<ul style="list-style-type: none"> ○ accuracy of records; ○ ensuring value for money and preventing waste. 	
2.11	To agree with the Treasurer any amendment to financial systems or introduction of new financial systems.	FA 26.03.12 Min No. 131.4
2.12	To provide all information required by the Treasurer for finance purposes on a timely basis, and to allow him/ her or an authorised representative access to all information, records, documents and explanations that he/ she requires.	FA 26.03.12 Min No. 131.4
2.13	To maintain adequate records to provide a management trail leading from the source of income/ expenditure through to the accounting statements.	FA 26.03.12 Min No. 131.4
2.14	To establish and maintain 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.	FA 26.03.12 Min No. 131.4
2.15	To allow the Treasurer adequate opportunity to provide written comments for inclusion in any reports having direct or indirect financial implications for decision by the Authority or any of its Committees or for the purpose of exercising delegated powers.	FA 26.03.12 Min No. 131.4
2.16	To consult with the Treasurer with respect to any matter within his/ her purview which is liable to materially affect the finances of the Authority, before any provisional or other commitment is incurred or before reporting thereon to the Authority or any of its Committees.	FA 26.03.12 Min No. 131.4
2.17	To inform the Treasurer when officers intend to meet with representatives of Government Service areas or outside bodies on matters which may involve current or future financial or economic proposals and be given the opportunity of being represented or advised of the proposals as the Treasurer considers necessary.	FA 26.03.12 Min No. 131.4
2.18	To take action upon any internal audit reports to ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.	FA 26.03.12 Min No. 131.4
2.19	To ensure that all employees who are responsible for financial administration are issued with appropriate instructions.	FA 26.03.12 Min No. 131.4
2.20	To ensure that there is a clear separation of duties within the administration of all systems to ensure adequate controls are in place.	FA 26.03.12 Min No. 131.4

2.21	To ensure processes are in place to maintain proper records of authorised signatories for all financial systems and to ensure that only these officers sign key documents such as orders, invoices, claims and payroll records.	FA 26.03.12 Min No. 131.4
2.22	To immediately notify the Monitoring Officer and the Treasurer in writing whenever any matter arises which involves, or is thought to involve, a breach of security, theft, or irregularities concerning cash, stores or other property of the Authority, or any suspected irregularity in the exercise of the functions of the Authority.	FA 26.03.12 Min No. 131.4
2.23	To liaise with the Monitoring Officer and the Treasurer in relation to the investigation of any suspected irregularities within their service area, in line with the Authority's Anti Fraud and Anti Corruption Strategy.	FA 26.03.12 Min No. 131.4
2.24	To ensure that all employees comply with the Financial Procedure Rules and any instructions issued under them or any arrangements made for the purposes of them.	FA 26.03.12 Min No. 131.4
2.25	To ensure that any arrangements made under or for the purposes of the Financial Procedure Rules should be in writing and where necessary conveyed in writing to relevant employees.	FA 26.03.12 Min No. 131.4
2.26	To promote the financial management standards set by the Treasurer in their service areas, and to monitor adherence to the standards and practices, liaising as necessary with the Treasurer.	FA 26.03.12 Min No. 131.4
2.27	To promote sound financial practices in relation to the standards, performance and development of staff in their departments.	FA 26.03.12 Min No. 131.4

Managing Expenditure

Virement and in-year changes to the budget

Why is this Important?

2.28	The scheme of virement is intended to enable Principal Officers and their staff to manage budgets with a degree of flexibility within the overall budget and policy framework determined by the full Fire and Rescue Authority, and therefore to optimise the use of resources.	FA 26.03.12 Min No. 131.4
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Key Controls

2.29	<p>Key controls for the scheme of virement are:</p> <ul style="list-style-type: none"> • The overall revenue budget is drawn up by the Finance, Audit and Performance Management Committee and approved by the full Fire and Rescue Authority. Principal Officers and budget managers are, therefore, authorised to incur expenditure in accordance with the estimates that make up the budget as set out in the budget book. The rules below cover virement; that is, switching resources between approved budget headings. • Virement does not create additional overall budget capacity. Principal Officers are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should not support recurring revenue expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future sources. Principal Officers must plan to fund such commitments from within their own budgets. • The capital programme is drawn up by the Finance, Audit and Performance Management Committee and approved by the full Fire and Rescue Authority and contains details of approved expenditure on capital schemes. • The Medium Term Financial Plan is a resource framework covering a number of years. It is a planning tool reflecting the resource implications of delivering Authority policies as enshrined within the Risk Reduction Plan and other planning documents. It does not represent authority to spend. 	FA 26.03.12 Min No. 131.4
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Responsibility of the Finance, Audit and Performance Management Committee

2.30	To approve revenue and capital budget virements or any inter-service virements where the purpose of the budget has been amended or in any case where arrangements have not been made for discharge of the function by an officer of the Authority.	FA 26.03.12 Min No. 131.4
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Responsibility of Officers – Capital Expenditure

Principal Officers

2.31	With the approval of the Treasurer, to vary within service areas the approved programme of capital expenditure by an addition or deletion or material modification of an existing project by a virement not exceeding £50,000 to or from another project.	FA 26.03.12 Min No. 131.4
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2.32	To refer to the Finance, Audit and Performance Management Committee for approval, virements in excess of £50,000 provided under the specific published budget heads. A report will be prepared by the appropriate Principal Officer, in consultation with, and with the approval of, the Treasurer.	FA 26.03.12 Min No. 131.4
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Treasurer

2.33	To consider requests from the appropriate Principal Officer, to vire sums, within their project management responsibility and within the limits as outlined in these Financial Procedure Rules.	FA 26.03.12 Min No. 131.4
2.34	To refer to the Finance, Audit and Performance Management Committee for approval, virements in excess of £50,000 provided under the specific published budget heads. A report will be prepared by the appropriate Principal Officer, in consultation with the Treasurer.	FA 26.03.12 Min No. 131.4
2.35	The Authority sets a multi year capital programme, with the latter years indicative only. In order to ensure an effective capital programme, expenditure can be brought forward only with the approval of the Treasurer. The possibility of delaying spends into future years may be required in some cases and should be observed following any request from the Treasurer.	FA 26.03.12 Min No. 131.4

Responsibility of Principal Officers – Revenue Expenditure

2.36	With the approval of the Treasurer to vire, within service areas, sums not exceeding £50,000 provided under specific published revenue budget heads to other purposes.	FA 26.03.12 Min No. 131.4
2.37	With the approval of the Treasurer, Principal Officers may by agreement between them vire sums not exceeding £50,000 between service directorates.	FA 26.03.12 Min No. 131.4
2.38	To refer to the Finance, Audit and Performance Management Committee for approval, virements in excess of £50,000 provided under the specific published budget heads. A report will be prepared by the appropriate Principal Officer, in consultation with the Treasurer.	FA 26.03.12 Min No. 131.4
2.39	No virement may be approved, other than with the specific authority of the Finance, Audit and Performance Management Committee if the total cash limited budget of the Fire and Rescue Authority is likely to be overspent.	FA 26.03.12 Min No. 131.4

Treasurer

2.40	To consider requests from the appropriate Principal Officer, to vire sums, within their service area and within the limits as outlined in these Financial Procedure Rules.	FA 26.03.12 Min No. 131.4
2.41	To refer to the Finance, Audit and Performance Management Committee for approval, virements in excess of £50,000 provided under the specific published budget heads. A report will be prepared by the appropriate Principal Officer, in consultation with the Treasurer.	FA 26.03.12 Min No. 131.4
2.42	No virement may be approved if the total cash limited budget of the Fire and Rescue Authority is likely to be overspent.	FA 26.03.12 Min No. 131.4
2.43	Nothing in these regulations is intended to prevent spending in emergency circumstances as agreed between the Chief Fire Officer and the Treasurer or Monitoring Officer.	FA 26.03.12 Min No. 131.4

Treatment of Year End Balances

Why is this Important?

2.44	It is important to have a set of rules for the proper treatment of year end balances.	FA 26.03.12 Min No. 131.4
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Key Controls

2.45	Appropriate accounting procedures are in operation to ensure that carried forward totals are correct.	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

2.46	To transfer to reserves and provisions any appropriate under-spending arising from the out-turn at financial year ends.	FA 26.03.12 Min No. 131.4
2.47	To report to the Finance, Audit and Performance Management Committee and the Fire and Rescue Authority as part of the budget process on the Authority's financial standing.	FA 26.03.12 Min No. 131.4

Accounting Policies

Why is this Important?

2.48	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 relevant codes of practice on local authority accounting in the United Kingdom, for each financial year ending 31 st March.	FA 26.03.12 Min No. 131.4
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Key Controls

2.49	<p>The key controls for accounting polices are:</p> <ul style="list-style-type: none">• systems of internal control are in place that ensure that financial transactions are lawful;• suitable accounting policies are selected and applied consistently;• proper accounting records are maintained;• financial statements are prepared which present fairly the financial position of the Authority and its expenditure and income.	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

2.50	<p>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 31st March each year, and covers such items as:</p> <ul style="list-style-type: none">• separate accounts for capital and revenue transactions;• the basis on which debtors and creditors at year end are included in the accounts;• details on substantial provisions and reserves;• fixed assets;• depreciation;• financial instruments;• work in progress;• stocks and stores;• deferred charges;• accounting for value added tax;• government grants;• leasing .	FA 26.03.12 Min No. 131.4
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Responsibilities of Principal Officers

2.51	To adhere to the accounting policies and guidelines approved by the Treasurer.	FA 26.03.12 Min No. 131.4
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Accounting Records and Returns

Why is this Important?

2.52	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.	FA 26.03.12 Min No. 131.4
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Key Controls

2.53	The key controls for accounting records and returns are: <ul style="list-style-type: none">• finance staff and budget managers operate within the required accounting standards and timetables;• all the Authority's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis;• procedures are in place to enable accounting records to be reconstituted in the event of systems failure;• reconciliation procedures are carried out to ensure transactions are correctly recorded;• prime documents are retained in accordance with legislative and other requirements.	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

2.54	To determine the accounting procedures and records for the Authority.	FA 26.03.12 Min No. 131.4
2.55	To arrange for the compilation of all accounts and accounting records under his or her direction.	FA 26.03.12 Min No. 131.4
2.56	To comply with the following principles when allocating accounting duties: <ul style="list-style-type: none">• separating the duties of providing information about sums due to or from the Authority and calculating, checking and	FA 26.03.12 Min No. 131.4

	<p>recording these sums from the duty of collecting or disbursing them;</p> <ul style="list-style-type: none"> officers with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions. 	
2.57	To make proper arrangements for the audit of the Authority's accounts in accordance with the current Accounts and Audit Regulations.	FA 26.03.12 Min No. 131.4
2.58	To certify and ensure that all claims for grants and other financial returns required by Government Service areas and other bodies are made by the due date.	FA 26.03.12 Min No. 131.4
2.59	To prepare and publish the audited accounts of the Authority for each financial year, in accordance with the statutory timetable and with the requirement.	FA 26.03.12 Min No. 131.4
2.60	To determine the retention period of financial records where there are no requirements prescribed by statutory or other external regulations.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

2.61	To consult and obtain the approval of the Treasurer before making any changes to accounting records and procedures.	FA 26.03.12 Min No. 131.4
2.62	<p>To comply with the following principles when allocating accounting duties:</p> <ul style="list-style-type: none"> 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; employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions. 	FA 26.03.12 Min No. 131.4
2.63	To maintain adequate records to provide a management trail leading from the source of income/ expenditure through to the accounting statements.	FA 26.03.12 Min No. 131.4
2.64	To ensure that the retention periods of financial records, as determined by the Treasurer, are complied with. Where retention periods are prescribed by statutory or other external regulations, the Principal Officer should ensure that these are complied with.	FA 26.03.12 Min No. 131.4

2.65	To ensure that financial records are not disposed of other than in accordance with prescribed statutory requirements and as approved by the Treasurer.	FA 26.03.12 Min No. 131.4
2.66	To supply information required to enable the statement of accounts to be completed in accordance with guidelines issued by the Treasurer.	FA 26.03.12 Min No. 131.4

Annual Statement of Accounts

Why is this Important?

2.67	The Authority has a statutory responsibility to prepare its own accounts to present fairly its operations during the year.	FA 26.03.12 Min No. 131.4
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Key Controls

2.68	<p>The key controls for the annual statement of accounts are:</p> <ul style="list-style-type: none"> the Authority is required to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of these affairs. In this Authority, that officer is the Treasurer; the Authority's statement of accounts must be prepared in accordance with proper practices as set out in the relevant codes of practice on local authority accounting in the United Kingdom and within International Financial reporting Standards. 	FA 26.03.12 Min No. 131.4
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Responsibilities of Treasurer

2.69	To select suitable accounting policies and to apply them consistently.	FA 26.03.12 Min No. 131.4
2.70	To make judgements and estimates that are reasonable and prudent.	FA 26.03.12 Min No. 131.4
2.71	To comply with Codes of Practice and International Financial Reporting Standards.	FA 26.03.12 Min No. 131.4 FA 15.7.13 Min 42.1
2.72	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 st March.	FA 26.03.12 Min No. 131.4

2.73	To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.	FA 26.03.12 Min No. 131.4
2.74	To agree and issue letters of representation as appropriate.	FA 26.03.12 Min No. 131.4
2.75	To facilitate the External Audit process leading to production of the external auditors report.	FA 26.03.12 Min No. 131.4
2.76	To obtain necessary account authorisations from the Chairman and the Chief Fire Officer.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

2.77	To comply with accounting guidance provided by the Treasurer, and to supply the Treasurer with information in the format, and by the date, requested.	FA 26.03.12 Min No. 131.4
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SECTION 3 – FINANCIAL PLANNING

Performance Plans
Revenue Budgeting and Monitoring
Capital Budgeting and Monitoring
Maintenance of Reserves

Performance Plans

Why is this Important?

3.1	The Authority has a statutory responsibility to publish various performance plans. The purpose of performance plans is to explain overall priorities and objectives, current performance, and proposals for further improvement. External audit is required to report on whether the Authority has complied with statutory requirements in respect of performance planning.	FA 26.03.12 Min No. 131.4
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Key Controls

3.2	The key controls for performance plans are: <ul style="list-style-type: none"> • to ensure that all relevant plans are produced and that they are consistent; • to produce plans in accordance with statutory requirements; • to meet the timetables set; • to ensure that all performance information is accurate, complete and up to date; • to provide improvement targets which are meaningful, realistic and challenging. 	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

3.3	To advise and supply the financial information that needs to be included in performance plans in accordance with statutory requirements and agreed timetables.	FA 26.03.12 Min No. 131.4
3.4	To contribute to the development of corporate and service targets and objectives and performance information.	FA 26.03.12 Min No. 131.4
3.5	To ensure that systems are in place to measure activity and collect the accurate financial information required and to provide said financial information to service areas to calculate their respective performance indicators.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

3.6	To contribute to the development of performance plans in line with statutory and FRA requirements.	FA 26.03.12 Min No. 131.4
3.7	To contribute to the development of corporate and service targets and objectives and performance information.	FA 26.03.12 Min No. 131.4
3.8	To indicate to the Treasurer the financial information required and to agree the methodology for calculation.	FA 26.03.12 Min No. 131.4
3.9	To ensure that adequate systems are in place to measure activity and collect accurate and timely non financial information for use as performance indicators.	FA 26.03.12 Min No. 131.4
3.10	To advise and supply, as appropriate and in conjunction with the Treasurer, the financial information that needs to be included in performance plans in accordance with statutory requirements and agreed timetables.	FA 26.03.12 Min No. 131.4

Revenue Budgeting And Monitoring

Budget Format

Why is this Important?

3.11	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 operation, the operation of cash limits, and set the level at which funds may be reallocated within budgets.	FA 26.03.12 Min No. 131.4
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Key Controls

3.12	The key controls are that the format: <ul style="list-style-type: none"> • complies with all legal requirements; • complies with proper accounting and professional standards; • reflects the accountabilities of service delivery. 	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

3.13	To advise the Finance, Audit and Performance Management Committee on the format of the budget that is approved by the full Fire and Rescue Authority.	FA 26.03.12 Min No. 131.4
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Responsibilities of Principal Officers

3.14	To comply with accounting guidance provided by the Treasurer.	FA 26.03.12 Min No. 131.4
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Revenue Budget Preparation and Medium-Term Financial Planning

Why is this Important?

3.15	The Fire and Rescue Authority is a large and 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.	FA 26.03.12 Min No. 131.4
3.16	The revenue budget must be constructed to ensure that resource allocation properly reflects the service plans and priorities of the Fire and 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 unlawful for a local authority to budget for a deficit.	FA 26.03.12 Min No. 131.4
3.17	In considering the affordability of its plans the Fire and Rescue Authority is required to consider all the resource currently available, and for the future together with an estimate of its requirements for the following year and each of the following two years. The Fire and Rescue Authority is also required to consider known significant changes beyond this timeframe. This requires the development of rolling 3-year forecasts.	FA 26.03.12 Min No. 131.4

Key Controls

3.18	<p>The key controls for budgets and medium-term financial planning are:</p> <ul style="list-style-type: none"> Principal Officers are consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations approved by the Fire and Rescue Authority for their budgets and the level of service to be delivered; A monitoring process is in place to review the effectiveness and operation of budget preparation and to ensure that any corrective action is taken. 	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

3.19	To prepare a report annually on a budget strategy for the following financial year for consideration by the Finance, Audit and	FA 26.03.12 Min No. 131.4
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	Performance Management Committee. This will take account of the Policy Framework, commitments, resource constraints and shall include medium term prospects. It will cover all the services of the Authority on both capital and revenue account. The Finance, Audit and Performance Management Committee having considered the report of the Treasurer will then agree a budget strategy for onwards recommendation to and approval by the Fire and Rescue Authority.	
3.20	To prepare, after the budget strategy has been agreed by the Fire and Rescue Authority, in conjunction with the Chief Officers and Principal Officers, estimates of the income and expenditure of the various service areas and submit them to the Finance, Audit and Performance Management Committee. The Finance, Audit and Performance Management Committee shall consider the aggregate effect of these estimates upon the Authority's financial resources and, subject to any other considerations of policy and to any amendments which it proposes to make, shall draw up proposals for the Budget to be levied for the ensuing financial year to be referred to the Fire and Rescue Authority.	FA 26.03.12 Min No. 131.4
3.21	To engage in consultation with the Constituent Councils on the Authority's budget proposals, and to report the results of consultation back to the Fire and Rescue Authority by the due date in order that it might set its revenue and capital budgets for the ensuing year and agree the amounts due from each constituent.	FA 26.03.12 Min No. 131.4
3.22	To prescribe the Budget format required.	FA 26.03.12 Min No. 131.4
3.23	To advise on the medium term implications of spending decisions and prepare medium term plans, rolling forward on an annual basis.	FA 26.03.12 Min No. 131.4
3.24	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 26.03.12 Min No. 131.4
3.25	To advise the Fire and Rescue Authority on Finance, Audit and Performance Management Committee proposals in accordance with his or her responsibilities under section 151 of the Local Government Act 1972.	FA 26.03.12 Min No. 131.4
3.26	To ensure all matters required to be taken into account are reported to the Finance, Audit and Performance Management Committee and Fire and Rescue Authority when setting and reviewing prudential indicators.	FA 26.03.12 Min No. 131.4

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Responsibilities of Principal Officers

3.27	To provide the Treasurer with information to complete the medium term plan.	FA 26.03.12 Min No. 131.4
3.28	To prepare, in conjunction with the Treasurer, estimates of income and expenditure.	FA 26.03.12 Min No. 131.4
3.29	To prepare budgets consistent with any relevant cash limits, with the Authority's annual budget cycle and with guidelines issued by the Finance, Audit and Performance Management Committee. The budget format will be prescribed by the Treasurer.	FA 26.03.12 Min No. 131.4
3.30	To integrate financial and budget plans into service planning and for them to link in with the Authority's strategic planning framework.	FA 26.03.12 Min No. 131.4
3.31	When drawing up budget requirements, to have regard to: <ul style="list-style-type: none"> • spending/ income patterns and pressures revealed through the budget monitoring process; • legal requirements; • policy requirements as defined by the full Fire and Rescue Authority in the approved policy framework; • initiatives already under way; • areas where savings / efficiencies can be made. 	FA 26.03.12 Min No. 131.4

Resource Allocation

Why is this Important?

3.32	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, property and materials.	FA 26.03.12 Min No. 131.4
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Key Controls

3.33	The key controls for resource allocation are: <ul style="list-style-type: none"> • resources are acquired in accordance with the law and using an approved authorisation process; • resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for; 	FA 26.03.12 Min No. 131.4
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	<ul style="list-style-type: none"> resources are used with the minimum level of waste, inefficiency or loss for other reasons. 	
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Responsibilities of the Treasurer

3.34	To advise on Resources such as grants or the affordability of borrowing.	FA 26.03.12 Min No. 131.4
3.35	To advise on the suitability of proposals to introduce/ modify financial procedures to control resources (e.g. stock control systems).	FA 26.03.12 Min No. 131.4
3.36	To assist in the allocation of resources to Principal Officers.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

3.37	To work within cash limits and to utilise resources allocated, and furthermore to allocate resources, in the most efficient, effective and economic way.	FA 26.03.12 Min No. 131.4
3.38	To identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.	FA 26.03.12 Min No. 131.4

Revenue Budget Monitoring and Control

Why is this Important?

3.39	Proper budget management ensures that, once the budget has been approved by the Fire and Rescue Authority, resources 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.	FA 26.03.12 Min No. 131.4
3.40	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 service area is required to manage its own expenditure within the cash limited budget allocated to it.	FA 26.03.12 Min No. 131.4
3.41	Principal Officers are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should not support recurring revenue expenditure from one-off sources of savings or additional income or creating future	FA 26.03.12 Min No. 131.4

	commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Principal Officers must plan to fund such commitments from within their own budgets.	
3.42	For the purposes of budgetary control by managers, a budget will normally be the planned income and expenditure for a service area. However, budgetary control may take place at a more detailed level if this is required.	FA 26.03.12 Min No. 131.4

Key Controls

3.43	<p>The key controls for managing and controlling the revenue budget are:</p> <ul style="list-style-type: none"> • there is a nominated budget manager for each budget heading; • budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities; • budget managers follow an approved certification process for all expenditure; • income and expenditure are properly recorded and accounted for; • performance levels/ levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget; • specific budget approval is given for all expenditure. 	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

3.44	<p>To establish an appropriate framework of budgetary management and control that ensures that:</p> <ul style="list-style-type: none"> • budget management is exercised within annual cash limits; • all Principal Officers are furnished with periodical statements of income and expenditure and such other relevant information as he/ she has which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities; • in consultation with Principal Officers, reports are submitted, as determined by the Treasurer, to the Finance, Audit and Performance Management Committee, monitoring expenditure and comparing anticipated outturn with estimates; • each service area 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; • significant variances from approved budgets are investigated 	FA 26.03.12 Min No. 131.4 FA 15.7.13 MIN 42.1
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	and reported by budget managers regularly.	
3.45	To submit reports to the Finance, Audit and Performance Management Committee and to the Fire and Rescue Authority, 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 and to recommend appropriate action.	FA 26.03.12 Min No. 131.4
3.46	To establish procedures for the monitoring of prudential indicators.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

3.47	To be responsible for keeping strict supervision of the expenditure of their respective service areas and for drawing the attention of the Treasurer to any contemplated expenditure not provided for in the estimates or which, if incurred, would exceed the amount allocated for the purpose in the estimates or not be in line with the Budget or the Policy Framework.	FA 26.03.12 Min No. 131.4
3.48	To maintain budgetary control within their service areas, in adherence to the principles above, and to ensure that all income and expenditure is properly recorded and accounted for.	FA 26.03.12 Min No. 131.4
3.49	To ensure that budgetary provision is identified for all expenditure incurred.	FA 26.03.12 Min No. 131.4
3.50	To ensure that officers responsible for committing expenditure comply with relevant guidance and financial regulations.	FA 26.03.12 Min No. 131.4
3.51	To ensure, after consultation with the Treasurer that there is prior approval by the Fire and Rescue Authority or Finance, Audit and Performance Management Committee (as appropriate) for new proposals, of whatever amount, that: <ul style="list-style-type: none"> • create financial commitments in future years; • change existing policies, initiate new policies or cease existing policies; • materially extend or reduce the authority's services. 	FA 26.03.12 Min No. 131.4
3.52	To ensure compliance with procedures regarding virement.	FA 26.03.12 Min No. 131.4

Capital Budgeting and Monitoring

Why is this Important?

3.53	Capital expenditure (including use of capital grants and PFI/ PPP projects) involves acquiring or enhancing fixed assets with a long term value to the Authority, such as land, buildings, infrastructure 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.	FA 26.03.12 Min No. 131.4
3.54	The financing capacity of the authority is restricted by the affordability, prudence and sustainability of the Capital Programme. This means that capital expenditure should form part of the Medium Term Financial Plan and should be carefully prioritised.	FA 26.03.12 Min No. 131.4

Key Controls

3.55	<p>The key controls for capital programmes are:</p> <ul style="list-style-type: none"> • specific approval by the Fire and Rescue Authority for the programme of capital expenditure; • a scheme and estimate, including project plan, options, progress targets and associated revenue expenditure is prepared for each capital project, for appraising by the Deputy Chief Officer in consultation with the Treasurer; • accountability for each proposal is accepted by a named project manager; • progress and expenditure should be monitored and compared to the approved budget by the relevant Principal Officer and any major anomalies notified to the Treasurer. 	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

3.56	To determine the definition of “capital” having regard to Government regulations and accounting requirements.	FA 26.03.12 Min No. 131.4
3.57	To advise the Finance, Audit and Performance Management Committee and Fire and Rescue Authority on the affordability, prudence and sustainability of the Capital Programme by the preparation of prudential indicators as required by the prudential code for capital finance in Local Authorities.	FA 26.03.12 Min No. 131.4

3.58	To ensure all matters required to be taken into account are reported to the Finance, Audit and Performance Management Committee and Fire and Rescue Authority when setting and revising prudential indicators.	FA 26.03.12 Min No. 131.4
3.59	To establish procedures for the monitoring of prudential indicators.	FA 26.03.12 Min No. 131.4
3.60	To prepare a report on the Capital Programme on the service area proposals, taking into account the Prudential Code of Borrowing, Policy Framework, commitments, resource constraints and Capital Receipts. This report shall compare the estimates with the finance available and propose the level of annual expenditure of each service area. The report will identify those schemes where expenditure may only be incurred after further work has been undertaken.	FA 26.03.12 Min No. 131.4
3.61	To furnish all Principal Officers with periodical statements of expenditure and progress on individual schemes. It shall be the responsibility of the Treasurer in consultations with each Principal Officer to submit reports, as determined by the Treasurer, to the Finance, Audit and Performance Management Committee, monitoring expenditure and comparing with approved programme. The inclusion of items in the approved Capital Programme shall constitute authority to incur such expenditure save to the extent of which the Fire and Rescue Authority shall have placed a reservation on any such items. Expenditure on any such reserved items may be incurred only when and to the extent that such reservations have been removed.	FA 26.03.12 Min No. 131.4
3.62	To report annually to the Finance, Audit and Performance Management Committee on the need for expenditure and associated funding to be slipped between financial years.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

3.63	To comply with guidance concerning capital projects and controls issued by the Treasurer	FA 26.03.12 Min No. 131.4
3.64	To carry out an option appraisal before bidding/ incurring capital expenditure to determine alternative methods of need.	FA 26.03.12 Min No. 131.4
3.65	To consider the revenue implications of Capital Projects over the whole life of projects and notify the Treasurer when planning to undertake such schemes which do commit the authority to additional Revenue expenditure.	FA 26.03.12 Min No. 131.4

3.66	To submit a prioritised list of bids as part of the Medium Term capital budgeting process representing the schemes required to deliver Service and Corporate strategy.	FA 26.03.12 Min No. 131.4
3.67	To ensure that approvals for all capital expenditure proposals are obtained from the Treasurer prior to a schemes commencement.	FA 26.03.12 Min No. 131.4
3.68	To prepare returns of projected estimated final costs of schemes, in the approved capital programme profiled annually, for submission to the Treasurer.	FA 26.03.12 Min No. 131.4
3.69	To ensure that adequate records are maintained for all capital contracts and the preparation of grant claims.	FA 26.03.12 Min No. 131.4
3.70	To ensure compliance with the Authority's scheme of virement.	FA 26.03.12 Min No. 131.4
3.71	To report to the Treasurer as soon as it becomes apparent that the total cost of a scheme including variations will or is likely to exceed 10% (ten per cent) above the capital budget available as defined within the approved Capital Programme. This report should cover the reasons for increased cost, an analysis of options considered to reduce cost to budget and the funding options considered to meet any budget shortfall.	FA 26.03.12 Min No. 131.4
3.72	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.	FA 26.03.12 Min No. 131.4
3.73	To consult with the Treasurer where the Principal Officer proposes to bid for Capital Funding to be issued by Government departments or others to support expenditure that has not been included in the current year's capital programme.	FA 26.03.12 Min No. 131.4

Maintenance of Reserves

Why is this Important?

3.74	Reserves can be provided as a working balance, a contingency for unexpected events or emergencies or to meet known or predicated liabilities.	FA 26.03.12 Min No. 131.4
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Key Controls

3.75	To maintain reserves in accordance with the relevant codes of practice on local authority accounting in the United Kingdom and agreed accounting policies.	FA 26.03.12 Min No. 131.4
3.76	For each reserve established, the purpose, usage and basis of transactions should be clearly identified.	FA 26.03.12 Min No. 131.4
3.77	The establishment of reserves and incurring of expenditure from reserves should be authorised by the Fire and Rescue Authority by recommendation of the Treasurer.	FA 26.03.12 Min No. 131.4

Responsibilities of the Treasurer

3.78	To advise the Finance, Audit and Performance Management Committee and the full Fire and Rescue Authority on prudent levels of reserves for the Authority.	FA 26.03.12 Min No. 131.4
3.79	To recommend deployment of reserves to the Fire and Rescue Authority.	FA 26.03.12 Min No. 131.4

SECTION 4 – RISK MANAGEMENT AND CONTROL OF RESOURCES

Risk Management

Internal Controls

Internal and External Audit

Preventing Fraud and Corruption

Security of Assets:-

- Land and Buildings
- Vehicles, Furniture and Equipment
- Stocks and Stores
- Cash
- Information and Communication Technology
- Intellectual Property

Treasury Management and Trust Funds

Risk Management

Why is this Important?

4.1	All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is concerned with evaluating the measures an organisation already has in place to manage identified risks, and then recommending the action the organisation needs to take to control these risks effectively.	FA 26.03.12 Min No. 131.4
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Key Controls

4.2	<p>The key controls for risk management are:</p> <ul style="list-style-type: none"> • procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the Authority; • 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; • managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives; • managers apply a standard approach to risk identification and recording; • provision is made for losses that might result from the risks 	FA 26.03.12 Min No. 131.4
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	<p>that remain;</p> <ul style="list-style-type: none"> • procedures are in place to investigate claims within required timescales; • acceptable levels of risk are determined and insured against where appropriate; • the Authority has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources. 	
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Responsibilities of the Chief Fire Officer

4.3	To develop risk management controls in conjunction with Principal Officers.	FA 26.03.12 Min No. 131.4
4.4	To ensure that arrangements are in place for measuring the effectiveness of the risk management process, and that all findings from monitoring arrangements are fed back into the risk management cycle.	FA 26.03.12 Min No. 131.4
4.5	To report to the Fire and Rescue Authority on the Corporate Risk Register.	FA 26.03.12 Min No. 131.4

Responsibilities of the Deputy Chief Officer

4.6	To affect insurance cover, and to arrange for the negotiation of claims in consultation with the Treasurer and other Principal Officers, where necessary.	FA 26.03.12 Min No. 131.4
4.7	To hold in safe custody all insurance policies of the Authority, arrange for payment of premiums by the due date, and manage the Authority's own Insurance Fund.	FA 26.03.12 Min No. 131.4
4.8	To prescribe procedures for dealing with claims on the Authority's own Insurance Fund.	FA 26.03.12 Min No. 131.4
4.9	To make arrangements to ensure that insurance records relating to liability policies and related correspondence must be retained indefinitely. Documents relating to other policies and internal funding arrangements must be retained for six years. All employees will adhere to the requirements of the Treasurer as to the retention of any documents of the nature referred to in this rule.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

4.10	To take responsibility for risk management, having regard to advice from the Treasurer, and other specialist officers (e.g. crime prevention, fire prevention, health and safety).	FA 26.03.12 Min No. 131.4
4.11	To ensure that there are regular reviews of risk within their service area.	FA 26.03.12 Min No. 131.4
4.12	To ensure that risk management is brought to the attention of relevant staff in their service areas.	FA 26.03.12 Min No. 131.4
4.13	To notify the Treasurer and Monitoring Officer immediately in writing of any loss, liability or damage, or any event likely to lead to a claim by or against the Authority, and inform the Police, where necessary.	FA 26.03.12 Min No. 131.4
4.14	To submit insurance claims to the Deputy Chief Officer in such a form as prescribed from time to time by the Treasurer.	FA 26.03.12 Min No. 131.4
4.15	To arrange for the identification of all appropriate employees of the Authority who should be included in a suitable fidelity guarantee insurance, and shall make arrangements for such inclusion.	FA 26.03.12 Min No. 131.4
4.16	To notify the Deputy Chief Officer promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances.	FA 26.03.12 Min No. 131.4
4.17	To notify the Deputy Chief Officer promptly of any significant acquisitions or disposals of assets or any alteration to the scope or level of services provided, particularly where the risk of accident, injury, loss or damage is likely to increase.	FA 26.03.12 Min No. 131.4
4.18	On a regular basis, the Deputy Chief Officer will forward to Principal Officers, schedules of assets covered by insurance. Principal Officers must examine the schedules and ensure that the details of those assets are correctly recorded and that the scope and level of insurance cover are adequate, and consistent with the Authority's corporate insurance arrangements.	FA 26.03.12 Min No. 131.4
4.19	To provide the Deputy Chief Officer with any information that he/she needs and in the timescale that he or she sets, to enable him or her to manage the Authority's insurances effectively.	FA 26.03.12 Min No. 131.4
4.20	To consult with the Treasurer and the Monitoring Officer on the terms of any indemnity that the Authority is requested to give.	FA 26.03.12 Min No. 131.4

4.21	To ensure that officers, or anyone covered by the Authority's insurances, do not admit liability or make any offer to pay compensation that may prejudice cover under the Fire and Rescue Authority's insurance policy and the assessment of liability in respect of any insurance claim.	FA 26.03.12 Min No. 131.4
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Internal Controls

Why is this Important?

4.22	The Authority is a large, complex organisation which requires internal controls to manage and monitor progress towards strategic objectives.	FA 26.03.12 Min No. 131.4
4.23	The Authority has statutory obligations and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.	FA 26.03.12 Min No. 131.4
4.24	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 26.03.12 Min No. 131.4
4.25	<p>The system of internal controls is established in order to provide measureable achievement of:</p> <ul style="list-style-type: none"> • efficient and effective operations; • reliable financial information and reporting; • compliance with laws and regulations; • risk management. 	FA 26.03.12 Min No. 131.4

Key Controls

4.26	<p>The key controls are:</p> <ul style="list-style-type: none"> • 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; • 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; • financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and 	FA 26.03.12 Min No. 131.4
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	<p>information systems;</p> <ul style="list-style-type: none"> • 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 Guidance for Internal Auditors, and CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom, and with any other statutory obligations and regulations; • an effective Scrutiny Committee which meets on a regular basis to consider internal control and auditing matters. 	
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Responsibilities of the Treasurer

4.27	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.	FA 26.03.12 Min No. 131.4
4.28	To maintain an effective and current Internal Audit service.	

Responsibilities of Principal Officers

4.29	<p>To establish sound arrangements, consistent with guidance given by the Treasurer, for planning, appraising, authorising and controlling their operations, in order to achieve:</p> <ul style="list-style-type: none"> • economy; • efficiency; • effectiveness • the proper use of resources; • the achievement of objectives; • the management of risks. 	FA 26.03.12 Min No. 131.4
4.30	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.	FA 26.03.12 Min No. 131.4
4.31	To ensure staff have a clear understanding of the consequences of lack of control.	FA 26.03.12 Min No. 131.4

Internal and External Audit

Internal Audit

Why is this Important?

4.32	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 Regulations, more specifically, require that a “relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems”. This is equally applicable to Fire and Rescue Authorities.	FA 26.03.12 Min No. 131.4
4.33	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.	FA 26.03.12 Min No. 131.4

Key Controls

4.34	The key controls for internal audit are: <ul style="list-style-type: none">• that it is independent in its planning and operation;• the Internal Auditor has direct access to the Finance, Audit and Performance Management Committee, all levels of management and directly to elected members;• internal auditors comply with the Auditing Practices Board’s guideline Guidance for Internal Auditors, as interpreted by CIPFA’s Code of Practice for Internal Audit in Local Government in the United Kingdom;• Internal Audit reports to a Scrutiny Committee.	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

4.35	To maintain a continuous and independent internal audit of the Authority’s accounting, financial and other operations of the Authority.	FA 26.03.12 Min No. 131.4
4.36	To ensure that all employees carrying out auditing duties comply with the current CIPFA Code of Practice for Internal Auditors in Local Government in the United Kingdom.	FA 26.03.12 Min No. 131.4

4.37	To make arrangements for there to be undertaken a cyclical review of all financial systems throughout the Authority and to determine the appropriate level of audit coverage.	FA 26.03.12 Min No. 131.4
4.38	To ensure that internal auditors have the authority to: <ul style="list-style-type: none"> • access authority premises at reasonable times, subject to the Treasurer being satisfied as to any risk to health and safety; • access all assets, records, documents, correspondence and control systems; • receive any information and explanation considered necessary concerning any matter under consideration; • require any employee of the Authority to account for cash, stores or any other authority asset under his or her control; • access records belonging to third parties, such as contractors, when required; • review, appraise and report on the adequacy and application of financial and other controls, and on the protection of the Authority's property and assets against loss due to fraud or wasteful practices. 	FA 26.03.12 Min No. 131.4
4.39	To approve in consultation with the Monitoring Officer the strategic and annual audit plans prepared by the Internal Auditor, which take account of the characteristics and relative risks of the activities involved.	FA 26.03.12 Min No. 131.4
4.40	To ensure that the Internal Auditor has the right to report independently to the Fire and Rescue Authority or the Finance, Audit and Performance Management Committee in his/ her own name.	FA 26.03.12 Min No. 131.4
4.41	To ensure that the Internal Auditor provides an annual opinion on the Fire and Rescue Authority's internal control environment as part of his/ her annual report.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

4.42	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 26.03.12 Min No. 131.4
4.43	To ensure that auditors are provided with any information and explanations that they seek in the course of their work.	FA 26.03.12 Min No. 131.4
4.44	To consider and respond promptly to recommendations in audit reports.	FA 26.03.12 Min No. 131.4

4.45	To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.	FA 26.03.12 Min No. 131.4
4.46	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 Treasurer prior to implementation.	FA 26.03.12 Min No. 131.4

External Audit

Why is this Important?

4.47	Under section 13 of the Public Audit (Wales) Act 2004, the Auditor General for Wales is responsible for appointing external auditors to each local authority in Wales. The external auditor has rights of access to all documents and information which in his/ her opinion are necessary to carry out his/ her statutory functions.	FA 26.03.12 Min No. 131.4
4.48	The basic duties of the external auditor are defined in the Public Audit (Wales) Act 2004 and the Local Government Act 1999. In particular, section 16 of the 2004 Act requires the Auditor General for Wales to prepare a code of audit practice, which external auditors follow when carrying out their duties. The code of audit practice sets out the auditor's objectives to review and report upon the audited body's: <ul style="list-style-type: none"> • arrangements to secure economy efficiency and effectiveness in its use of resources; • financial statements; • compliance with statutory requirements in respect of the preparation and publication of its Improvement Plan. 	FA 26.03.12 Min No. 131.4
4.49	The Authority's accounts are scrutinised by the external auditors, who must be satisfied that the statement of accounts "presents fairly" the financial position of the Authority and its income and expenditure for the year in question and complies with the legal requirements.	FA 26.03.12 Min No. 131.4

Key Controls

4.50	External auditors are appointed by the Auditor General for Wales, normally for a minimum period of five years. The Auditor General for Wales has prepared a code of audit and inspection practice, which external auditors follow when carrying out their audits.	FA 26.03.12 Min No. 131.4
4.51	The external auditor attends Member meetings as they deem necessary.	FA 26.03.12 Min No. 131.4

Responsibilities of the Treasurer

4.52	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.	FA 26.03.12 Min No. 131.4
4.53	To ensure there is effective liaison between external and internal audit.	FA 26.03.12 Min No. 131.4
4.54	To work with the external auditor and advise the full Fire and Rescue Authority, Finance, Audit and Performance Management Committee and Principal Officers on their responsibilities in relation to external audit.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

4.55	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.	FA 26.03.12 Min No. 131.4
4.56	To ensure that all records and systems are up to date and available for inspection.	FA 26.03.12 Min No. 131.4
4.57	To ensure that all employees have proper regard to the guidance issued by the Treasurer in connection with any external audits, and any reports of the external auditor.	FA 26.03.12 Min No. 131.4

Preventing Fraud and Corruption

Why is this Important?

4.58	The Authority will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Authority.	FA 26.03.12 Min No. 131.4
4.59	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.	FA 26.03.12 Min No. 131.4
4.60	The Authority also expects that individuals and organisations (e.g. 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.	FA 26.03.12 Min No. 131.4

Key Controls

4.61	<p>The key controls regarding the prevention of financial irregularities are that:</p> <ul style="list-style-type: none"> • the Authority has an effective anti-fraud and anti-corruption strategy and maintains a culture that will not tolerate fraud or corruption; • all members and staff act with integrity and lead by example; • senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Authority or who are corrupt; • high standards of conduct are promoted; • the maintenance of a register of interests in which any hospitality or gifts accepted must be recorded; • whistle blowing procedures are in place and operate effectively; • relevant legislation is adhered to; • matters relating to fraud and corruption are reported to the Treasurer. 	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

4.62	To develop and maintain an anti-fraud and anti-corruption strategy.	FA 26.03.12 Min No. 131.4
4.63	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.	FA 26.03.12 Min No. 131.4
4.64	To take such steps as he/ she considers necessary by way of investigation, in liaison with service area management where appropriate, and in line with the Authority's Anti Fraud and Corruption Strategy. Where sufficient evidence exists to believe that a criminal offence may have been committed, the matter will be referred in conjunction with the Monitoring Officer to the Police.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

4.65	To review existing controls in light of changes affecting the Authority and to establish and maintain new controls where appropriate.	FA 26.03.12 Min No. 131.4
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4.66	To immediately notify the Treasurer and Monitoring Officer whenever any matter arises which involves, or is thought to involve, a breach of security, theft or irregularities concerning cash, stores or other property of the Authority, or any suspected irregularity in the exercise of the functions of the Authority.	FA 26.03.12 Min No. 131.4
4.67	To liaise with the Treasurer and the Monitoring Officer in relation to the investigation of any suspected irregularities within their service area, in line with the Authority's Anti-Fraud and Corruption Strategy.	FA 26.03.12 Min No. 131.4
4.68	To instigate the Authority's disciplinary and suspension procedures where the outcome of an investigation indicates improper behaviour by a member of staff.	FA 26.03.12 Min No. 131.4
4.69	To ensure that employees comply with Fire and Rescue Authority guidance regarding the acceptance of hospitality, gifts and other benefits.	FA 26.03.12 Min No. 131.4

Security of Assets

Why is this Important?

4.70	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.	FA 26.03.12 Min No. 131.4
4.71	Obsolete, non-repairable or unnecessary assets should be disposed of in accordance with the regulations of the Authority.	FA 26.03.12 Min No. 131.4
4.72	Misuse of computer resources can seriously affect the business interests of the Authority.	FA 26.03.12 Min No. 131.4
4.73	Intellectual property is a generic term that includes inventions and writing. If these are created by an employee or consultant during the course of employment, then, as a general rule, they belong to the employer. Various acts of Parliament cover different types of intellectual property. Certain activities undertaken within the Authority may give rise to items that may be patentable, for example, software development.	FA 26.03.12 Min No. 131.4

Key Controls

4.74	<p>The key controls for the security of resources such as land, buildings, vehicles, plant, machinery, furniture equipment, software and information are:</p> <ul style="list-style-type: none"> • resources are used only for the purposes of the Authority and are properly accounted for; • resources are available for use when required; • resources no longer required are disposed of in accordance with the law and the regulations of the Authority so as to maximise benefits; • 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; • assets for disposal are identified and 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 and humanitarian issues. For items of significant value, disposal should be by competitive tender or public auction unless specifically agreed by the Finance, Audit and Performance Management Committee; • procedures for disposal of stocks and equipment shall be in accordance with the Authority’s policy on the disposal of “surplus” goods and materials; • procedures should protect staff involved in the disposal of assets from accusations of personal gain; • 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, Freedom of Information Act and software copyright legislation; • 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 information security and internet security policies; • in the event that the Authority decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with any approved intellectual property procedures. 	FA 26.03.12 Min No. 131.4
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Security of Assets - Land and Buildings

Responsibilities of the Treasurer

4.75	To receive information required for accounting and costing in order to calculate capital charges and depreciation for all properties, and to maintain the capital adjustment account.	FA 26.03.12 Min No. 131.4 FA 15.7.13 Min 42.1
4.76	To ensure that assets are valued in accordance with the relevant codes of practice on local authority accounting in the United Kingdom.	FA 26.03.12 Min No. 131.4
4.77	To advise on the financial implications of any purchase, sale or holding of property on the Authority's behalf.	FA 26.03.12 Min No. 131.4

Responsibilities of the Monitoring Officer

4.78	To ensure that safe custody of all title deeds under arrangements agreed with the Treasurer.	FA 26.03.12 Min No. 131.4
4.79	To maintain a terrier of all properties owned by the Authority and an asset register for all "material" fixed assets, in accordance with good practice.	FA 26.03.12 Min No. 131.4
4.80	To determine arrangements for the acquisition and disposal of land and buildings.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

4.81	To make arrangements to ensure the proper security of all the Authority's buildings.	FA 26.03.12 Min No. 131.4
4.82	To consult with the Treasurer in any case where security is thought to need improvement or where it is considered that special security arrangements may be needed.	FA 26.03.12 Min No. 131.4
4.83	To ensure there are procedures in place to review the condition of physical assets used in delivery of services e.g. undertake regular impairment review.	FA 26.03.12 Min No. 131.4

Security of Assets – Vehicles, Furniture and Equipment

Responsibilities of the Treasurer

4.84	To issue guidance to service areas on the maintenance of inventories and the disposal of assets.	FA 26.03.12 Min No. 131.4
4.85	To ensure appropriate accounting entries are made to include all material assets and to remove the value of disposed assets from the Authority's records and to include the sale proceeds if appropriate.	FA 26.03.12 Min No. 131.4
4.86	To agree procedures for the disposal of lost property.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

4.87	To ensure the property security and safe custody of all vehicles, equipment and furniture, belonging to or under the control of the Authority, and shall make contingency plans for the continuity of service in the event of disaster or system failure.	FA 26.03.12 Min No. 131.4
4.88	To maintain inventories of furniture, equipment, vehicles and plant, including items leased by the Authority. This shall be kept up to date and shall be in a form approved by the Treasurer and in accordance with the Authority's guidance. Principal Officers shall make arrangements to ensure that inventories shall include for each item, information relating to date of purchase, cost, location and any technical features, which might affect its value or usefulness.	FA 26.03.12 Min No. 131.4
4.89	To make arrangements to ensure that an annual, independent, check of all items on the inventory is carried out, in order to verify location, review, and condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers, cameras and video recorders shall be identified with security markings as belonging to the Authority.	FA 26.03.12 Min No. 131.4
4.90	To ensure that the Authority's property shall not be removed from its ordinary location otherwise than in accordance with the ordinary course of the Authority's business except in accordance with specific directions issued by the Principal Officer concerned or used otherwise than for the Authority's purposes. A record should be kept of all authorised removals.	FA 26.03.12 Min No. 131.4

4.91	To ensure that no Authority asset is subject to personal use by an employee without proper authorisation by the relevant Principal Officer.	FA 26.03.12 Min No. 131.4
4.92	To make arrangements to ensure that any disposal of any vehicle, furniture, fittings, equipment, plant and machinery is in accordance with the Authority's procedure for disposals.	FA 26.03.12 Min No. 131.4
4.93	Before disposal to check if the asset is subject to leasing arrangements. If the asset is leased, disposal must be in accordance with the terms of the lease.	FA 26.03.12 Min No. 131.4
4.94	To ensure that income received for the disposal of an asset is properly banked and coded.	FA 26.03.12 Min No. 131.4
4.95	If an item is lost, stolen or disposed of, this must be recorded against the entry in the inventory.	FA 26.03.12 Min No. 131.4
4.96	To notify the Treasurer of the purchase or disposal of any material asset, to enable the asset register to be updated.	FA 26.03.12 Min No. 131.4
4.97	Any property left on Fire and Rescue Authority premises and regarded as lost must be disposed of in accordance with procedures agreed with the Treasurer.	FA 26.03.12 Min No. 131.4

Security of Assets – Stocks and Stores (including products)

Responsibilities of the Treasurer

4.98	To issue guidance to service areas on the maintenance of stock and stores.	FA 26.03.12 Min No. 131.4
4.99	To approve the write off of stock and stores in accordance with the Scheme of Delegations.	FA 26.03.12 Min No. 131.4
4.100	To ensure that appropriate accounting entries are made in relation to stock balances and write offs.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

4.101	To make arrangements for the recording of and the care and safe custody of the stocks and stores held by their service area.	FA 26.03.12 Min No. 131.4
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4.102	To make arrangements to ensure stocks are maintained at reasonable levels and are subject to a regular independent physical check, at least annually. Each Principal Officer must make arrangements for discrepancies to be investigated and pursued to a satisfactory conclusion.	FA 26.03.12 Min No. 131.4
4.103	To advise the Treasurer immediately of any significant discrepancy in stocks.	FA 26.03.12 Min No. 131.4
4.104	To approve the write off of stock and stores up to the value of £5,000 in accordance with the Scheme of Delegations.	FA 26.03.12 Min No. 131.4
4.105	To provide the Treasurer with such information as he/ she requires in relation to stores for accounting and costing purposes.	FA 26.03.12 Min No. 131.4

Security of Assets – Cash

Responsibilities of the Treasurer

4.106	To issue guidance to service areas on cash handling.	FA 26.03.12 Min No. 131.4
4.107	To agree, in consultation with the appropriate Principal Officer, the maximum limits for cash holdings.	FA 26.03.12 Min No. 131.4
4.108	To approve the write off of stolen cash, not covered by insurance.	FA 26.03.12 Min No. 131.4
4.109	To authorise the depositing of unofficial funds or valuables in a safe.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

4.110	To agree with the Treasurer, the maximum limits for cash holdings and to ensure that these limits shall not be exceeded without his/her permission.	FA 26.03.12 Min No. 131.4
4.111	To ensure that cash holdings are kept to a minimum, and do not exceed the insurance limit for that safe/ cashbox.	FA 26.03.12 Min No. 131.4
4.112	To ensure that cash handling is carried out in line with the Authority's guidance.	FA 26.03.12 Min No. 131.4

4.113	To notify the Treasurer and the Monitoring Officer of cash lost or stolen immediately. Stolen cash, which is not covered by insurance, can only be written-off with the agreement of the Treasurer.	FA 26.03.12 Min No. 131.4
4.114	To ensure that under no circumstances are personal cheques cashed out of monies held on behalf of the Authority.	FA 26.03.12 Min No. 131.4
4.115	To ensure that a schedule is kept of the officers who hold keys to safes and similar receptacles.	FA 26.03.12 Min No. 131.4
4.116	To ensure that the keys to safes and similar receptacles are held securely at all times. Arrangements shall be made for the nomination (from amongst employees) of key holders and substitute key holders who must be available in the absence of the principal key holder(s). The loss of any such keys must be reported by the key holder, or nominated substitute, to the relevant Principal Officer forthwith, who shall take appropriate steps to protect the interests of the Authority.	FA 26.03.12 Min No. 131.4
4.117	To ensure that safe key holders do not accept unofficial funds or valuables for depositing in the safe unless authorised by the relevant Principal Officer. In such circumstances, it must be made clear by the key holder to the depositor, that the Authority is not to be held liable for any loss, and the key holder must obtain an acknowledgment to that effect before accepting the deposit.	FA 26.03.12 Min No. 131.4

Security of Assets – Information and Communication Technology

Responsibilities of Director of Technical Services

4.118	To ensure the maintenance of a central inventory of technology.	FA 26.03.12 Min No. 131.4
4.119	The development and integrity of the Authority's voice and data network infrastructure.	FA 26.03.12 Min No. 131.4
4.120	To approve all additions and alterations to the Authority's voice and data network.	FA 26.03.12 Min No. 131.4
4.121	To issue detailed guidance to all employees who are responsible for and/or use computer equipment on their responsibilities within the Authority's IT Security Policy.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

4.122	To ensure that all equipment connected to the Authority's voice and data network infrastructure meets the standards identified by the Director of Technical Services. Any requirement to add or make alterations to this network must be approved by the Director of Technical Services.	FA 26.03.12 Min No. 131.4
4.123	To ensure that the provisions of the Authority's IT Security Policy and other ICT policies are applied to all employees of the Authority, as appropriate to their use of information technology.	FA 26.03.12 Min No. 131.4
4.124	To make arrangements to implement and monitor the procedures contained in the Authority's IT Security Policy. All employees must be familiar with, and comply with, the principals of the Data Protection Legislation, the Copyright, Designs and Patents Act 1988, the Computer Misuse Act 1990, and any other legislation or Authority policy which may apply to all employees at any time.	FA 26.03.12 Min No. 131.4
4.125	To agree, in advance, with the Director of Technical Services, a requirement to use specialist IT goods and services that might not meet the standards identified by the Director of Technical Services, but are necessary to perform particular business activities. The Principal Officer will be responsible for ensuring that such acquisitions do not compromise their corporate, financial and legal obligations, as defined by the Authority.	FA 26.03.12 Min No. 131.4
4.126	To ensure that all employees are aware that misuse of technology and associated systems can seriously affect the business interest of the Authority. Such misuse or any breach of security policy will result in disciplinary action being taken.	FA 26.03.12 Min No. 131.4
4.127	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.	FA 26.03.12 Min No. 131.4

Security of Assets – Intellectual Property

Responsibilities of the Treasurer

4.128	To develop and disseminate good practice.	FA 26.03.12 Min No. 131.4
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Responsibilities of Principal Officers

4.129	To ensure that controls are in place to ensure that employees do not carry out private work during periods when they are working	FA 26.03.12 Min No. 131.4
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	for the Authority and that employees are aware of an employer's rights with regard to intellectual property.	
4.130	To make officers aware that, if, at any time during their employment, an officer makes or discovers or participates in the making or discovery of any intellectual property relating to or capable of being used by the Authority, the officer must provide full details of the intellectual property to the relevant Principal Officer.	FA 26.03.12 Min No. 131.4

Treasury Management and Trust Funds

Why is this Important?

4.131	Many millions of pounds pass through the Authority's bank accounts each year. It is vital that the Authority's money is managed in a secure and controlled way. Surplus funds are invested by the Authority with external organisations, and it is essential that risk is spread evenly, and that investments are placed with reputable organisations.	FA 26.03.12 Min No. 131.4
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Key Controls

4.132	Compliance with the CIPFA Treasury Management Code of Practice and the Authority's Treasury Management Policy statement and strategy. This provides 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.	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

4.133	To prepare a Treasury Management Policy and Annual Report for consideration by the Fire and Rescue Authority.	FA 26.03.12 Min No. 131.4
4.134	To maintain prudential indicators in accordance with the Prudential Code of Capital Finance for Local Authorities.	FA 26.03.12 Min No. 131.4
4.135	To arrange the borrowing and investments of the authority in such a manner as to comply with the CIPFA Code of Practice on Treasury Management in Local Government, which has been adopted by the Authority.	FA 26.03.12 Min No. 131.4
4.136	To set an investment strategy in accordance with Welsh Government investment guidance.	FA 26.03.12 Min No. 131.4
4.137	To ensure that all investments of money under its control shall	FA 26.03.12

	be made in the name of the Authority or in the name of nominees approved by the Finance, Audit and Performance Management Committee or the Fire and Rescue Authority within their respective responsibilities; bearer securities shall be excepted from this rule.	Min No. 131.4
4.138	To hold all securities, the property of, or in the name of the Authority, or its nominees, or otherwise as the Treasurer may specifically direct.	FA 26.03.12 Min No. 131.4
4.139	To ensure that all borrowings shall be effected in the name of the Authority.	FA 26.03.12 Min No. 131.4
4.140	To be the Authority's Registrar of loan instruments and to maintain records of all borrowings of money by the Authority.	FA 26.03.12 Min No. 131.4
4.141	To report to Members in accordance with the Treasury Management practices of the Authority.	FA 26.03.12 Min No. 131.4
4.142	To hold all Trust Fund securities etc. where Members or employees act as Trustees by virtue of their official position, unless the deed otherwise provides; or are otherwise directed by the Chief Finance, Audit and Performance Management Committee.	FA 26.03.12 Min No. 131.4
4.143	To arrange, where funds are held on behalf of third parties, for their secure administration, and to maintain records of all transactions.	FA 26.03.12 Min No. 131.4
4.144	To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.	FA 26.03.12 Min No. 131.4
4.145	To provide suitable training to Members.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

4.146	To notify the Treasurer of planned monetary receipts or payments in excess of £0.5 million at an early stage.	FA 26.03.12 Min No. 131.4
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SECTION 5 – FINANCIAL SYSTEMS AND PROCEDURES

General
Income
Banking
Ordering and Payment for Goods, Works and Services
Imprest Accounts
Payment to Employees and Members
Taxation

General

Why are Financial Systems and Procedures Important?

5.1	Service Areas have many systems and procedures relating to the control of the Authority's assets, including purchasing, costing and management systems. It is important that systems and procedures are sound and well administered to ensure financial stewardship and control to enable effective decision making. All financial systems and procedures should contain controls to ensure that transactions are properly processed and errors detected promptly.	FA 26.03.12 Min No. 131.4
5.2	The Treasurer has a statutory responsibility to ensure that the Authority's financial systems are sound and must be notified, in advance, of any new developments or changes.	FA 26.03.12 Min No. 131.4

Key Controls

5.3	<p>The key controls for systems and procedures are:</p> <ul style="list-style-type: none"> • basic data exists to enable the Authority's objectives, targets, budgets and plans to be formulated; • performance is communicated to the appropriate managers on an accurate, complete and timely basis; • early warning is provided of deviations from target, plans and budgets that require management attention; • operating systems and procedures are secure; • data is backed up on a regular basis. 	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

5.4	<p>To make arrangements for the proper administration of the Authority's financial affairs, including to:</p> <ul style="list-style-type: none"> • issue advice, guidance and procedures for officers and 	FA 26.03.12 Min No. 131.4
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	<p>others acting on the Authority's behalf;</p> <ul style="list-style-type: none"> • determine the accounting systems, form of accounts and supporting financial records; • establish arrangements for audit of the Authority's financial affairs; • to determine the accounting procedures, records and controls for any new financial systems to be introduced; • approve in advance any changes to be made to existing financial systems. 	
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Responsibilities of Principal Officers

5.5	To consult with and gain the approval of the Treasurer before changing any existing system or introducing new systems.	FA 26.03.12 Min No. 131.4
5.6	To ensure that accounting records are properly maintained and held securely.	FA 26.03.12 Min No. 131.4
5.7	To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Treasurer.	FA 26.03.12 Min No. 131.4
5.8	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.	FA 26.03.12 Min No. 131.4
5.9	To incorporate appropriate controls to ensure that, where relevant: <ul style="list-style-type: none"> • all input is genuine, complete, accurate, timely and not previously processed; • all processing is carried out in an accurate, complete and timely manner; • output from the system is complete, accurate and timely; • data is backed up on a regular basis. 	FA 26.03.12 Min No. 131.4
5.10	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.	FA 26.03.12 Min No. 131.4
5.11	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.	FA 26.03.12 Min No. 131.4
5.12	To ensure that systems are documented and staff adequately trained.	FA 26.03.12 Min No. 131.4

5.13	To establish a scheme of service area authorisations identifying officers to act upon his or her behalf in respect of placing orders, payments and income collection, including variations, and showing the limits of their authority.	FA 26.03.12 Min No. 131.4
5.14	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.	FA 26.03.12 Min No. 131.4
5.15	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.	FA 26.03.12 Min No. 131.4
5.16	To ensure that the Fire and Rescue Authority's information security standards and internet security policy are complied with.	FA 26.03.12 Min No. 131.4
5.17	To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.	FA 26.03.12 Min No. 131.4
5.18	To comply with the copyright, designs and patents legislation and, in particular, to ensure that: <ul style="list-style-type: none"> • only software legally acquired and installed by the Authority is used on its computers; • staff are aware of legislative provisions; • in developing systems, due regard is given to the issue of intellectual property rights. 	FA 26.03.12 Min No. 131.4

Income

Why is this Important?

5.19	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 cash flow and also avoids the time and cost of administering debts.	FA 26.03.12 Min No. 131.4
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Key Controls

5.20	<p>The key controls for income are:</p> <ul style="list-style-type: none"> • all income due to the Authority is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed. • all income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery; • all money received by an officer on behalf of the Authority is properly recorded and promptly banked; • the responsibility for cash collection should be separated from that for identifying the amount due, and that for reconciling the amount due to the amount received; • effective action is taken to pursue non-payment within defined timescales; • formal approval for debt write-off is obtained; • appropriate write-off action is taken within defined timescales; • appropriate and timely accounting adjustments are made following write-off action; • all appropriate income documents are retained and stored for the defined period in accordance with guidance issued by the Treasurer; • money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process. 	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

5.21	To decide on arrangements for the collection of all income due to the Authority, and to approve the procedures, systems and documentation for its collection.	FA 26.03.12 Min No. 131.4
5.22	To ensure that all electronic monies are properly received, assigned and reconciled.	FA 26.03.12 Min No. 131.4
5.23	<p>To set and approve the arrangements for the writing off of irrecoverable debts, and to write off such debts for the Authority, up to the value of £10,000.</p> <p>To ensure that the approval of the Finance, Audit and Performance Management Committee for writing off debts in excess of £10,000 has been obtained.</p>	FA 26.03.12 Min No. 131.4 FA 15.7.13 Min 42.1
5.24	To use such debt recovery procedures as he/ she considers necessary to collect any income due to the Authority which has not been paid within specified time limits.	FA 26.03.12 Min No. 131.4

5.25	To ensure that appropriate accounting adjustments are made following any write-off action.	FA 26.03.12 Min No. 131.4
5.26	To ensure that any sum due to the Authority shall only be discharged by payment or write off.	FA 26.03.12 Min No. 131.4
5.27	To ensure that cash payments totalling €15,000 or more (or equivalent in £), are not accepted in return for the supply of goods by the Fire and Rescue Authority, in accordance with the Money Laundering Regulations.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

5.28	To consult with the Treasurer before any proposal to introduce or revise scales of charges for services is submitted to the Finance, Audit and Performance Management Committee or the Fire and Rescue Authority as the case may be.	FA 26.03.12 Min No. 131.4
5.29	To ensure that all non-statutory charges are reviewed at least once a year in consultation with the Treasurer.	FA 26.03.12 Min No. 131.4
5.30	To ensure that new charges are promptly implemented following appropriate approval.	FA 26.03.12 Min No. 131.4
5.31	To ensure that where possible, income is received in advance of the service being provided.	FA 26.03.12 Min No. 131.4
5.32	To ensure that all income due, is promptly collected, correctly receipted, reconciled, accounted for and promptly banked.	FA 26.03.12 Min No. 131.4
5.33	To ensure that income collected and deposited is reconciled to the ledger on a regular basis.	FA 26.03.12 Min No. 131.4
5.34	To ensure that there is clear separation of duties within income procedures to ensure that adequate controls are in place.	FA 26.03.12 Min No. 131.4
5.35	To ensure that all income is correctly coded to the appropriate financial codes.	FA 26.03.12 Min No. 131.4
5.36	To maintain such particulars in connection with work done, goods supplied or services rendered and of all other amounts due, to record correctly all sums due to the Authority and to ensure the prompt rendering of accounts for the recover of income due.	FA 26.03.12 Min No. 131.4
5.37	To notify the Treasurer promptly in writing of all money due to the Authority, and of contracts, leases and other agreements and arrangements entered into, which involve the receipt of money by the Authority.	FA 26.03.12 Min No. 131.4

5.38	To designate employees to receive monies due and to make arrangements to ensure that appropriate records are maintained.	FA 26.03.12 Min No. 131.4
5.39	To make arrangements to ensure that employees responsible for receiving income are issued with written instructions on cash handling and till operation procedures and that such employees have signed to acknowledge that instructions have been received and understood prior to commencing such duties.	FA 26.03.12 Min No. 131.4
5.40	To ensure that all employees use official receipts or tickets for all income received on behalf of the Authority and ensure that all chargeable VAT is accounted for. To seek approval from the Treasurer for alternative receipting arrangements, where it is considered inappropriate to issue an official receipt or ticket, in advance of implementing such arrangements.	FA 26.03.12 Min No. 131.4
5.41	To ensure that all official receipt forms, books, tickets and other such items are ordered and supplied to service areas by the Treasurer or under arrangements approved by him/ her.	FA 26.03.12 Min No. 131.4
5.42	To ensure that all financial stationery is securely held and accounted for at all times.	FA 26.03.12 Min No. 131.4
5.43	To ensure that upon opening of incoming mail, all income is immediately recorded by the employee concerned either by way of receipt, remittance record or by another means, approved by the Treasurer.	FA 26.03.12 Min No. 131.4
5.44	To ensure that keys entrusted to employees are held securely at all times and are kept under their personal control. To ensure that employees understand their responsibilities as key holders, and of insurance requirements.	FA 26.03.12 Min No. 131.4
5.45	To ensure that income held by the Authority is not used to cash personal cheques or make personal loans or other payments.	FA 26.03.12 Min No. 131.4
5.46	To establish proper accountability wherever money is being handled. To ensure that every transfer of the Authority's money from one employee to another is evidenced in the records of the service area concerned. This may be by way of an official receipt being issued by the receiving employee, or if not, a record shall be maintained detailing the amount transferred, the date and the signature of both employees.	FA 26.03.12 Min No. 131.4
5.47	To ensure that when income is due to the Authority and the payment is not to be made at the time, all amounts due are claimed on official invoices or by arrangements approved by the Treasurer. Instructions for the cancellation or reduction of invoices for income must be authorised by the appropriate Principal Officer or such member of staff specifically designated	FA 26.03.12 Min No. 131.4

	by him/ her for that purpose.	
5.48	To make every reasonable effort to recover a debt before write off is considered. Once a debt is judged irrecoverable, write off procedures must commence promptly and adhere to the requirements of the relevant part of the scheme of delegations. Principal Officers must make arrangements in their respective service areas to ensure that correct procedures, for writing off debts, as prescribed by the Treasurer, have been adhered to and that adequate documentation exists for each case.	FA 26.03.12 Min No. 131.4
5.49	To ensure that credit notes to replace a debt are only raised to correct a factual inaccuracy or administrative error in the calculation and / or billing of the original debt.	FA 26.03.12 Min No. 131.4
5.50	To ensure that proper procedures are followed for checking and authorisation for write off, prior to submission to the Treasurer for approval.	FA 26.03.12 Min No. 131.4
5.51	To seek to achieve payment by direct debit or standing orders in situations where regular payments are due to the Authority.	FA 26.03.12 Min No. 131.4
5.52	To authorise an adjustment to the accounts, in consultation with the Treasurer, if a mistake has been made in raising an invoice.	FA 26.03.12 Min No. 131.4
5.53	To consult the Treasurer about any proposal to arrange to accept payments by credit cards, debit cards, switch cards, internet or similar means.	FA 26.03.12 Min No. 131.4
5.54	To notify the Treasurer of outstanding income (reserved debtors) relating to the previous financial year as soon as possible after 31 st March in line with the timetable determined by the Treasurer.	FA 26.03.12 Min No. 131.4
5.55	To ensure that cash payments totalling €15,000 or more (or equivalent in £), are not accepted in return for the supply of goods by the Fire and Rescue Authority in accordance with the Money Laundering Regulations.	FA 26.03.12 Min No. 131.4
5.56	To notify the Treasurer of planned monetary receipts in excess of £0.5 million.	FA 26.03.12 Min No. 131.4

Banking

Why is this Important?

5.57	Many millions of pounds pass through the Authority's bank account each year. It is vital that proper procedures are in place to ensure that the Authority's banking arrangements are secure and controlled.	FA 26.03.12 Min No. 131.4
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Key Controls

5.58	All banking arrangements are operated in accordance with approved procedures.	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

5.59	To make or approve all arrangements with the Authority's bankers.	FA 26.03.12 Min No. 131.4
5.60	To open and operate bank accounts as are considered necessary.	FA 26.03.12 Min No. 131.4
5.61	To ensure that all bank accounts operated by or on behalf of the Authority shall bear an official title and in no circumstances shall an account be opened in the name of an individual.	FA 26.03.12 Min No. 131.4
5.62	To approve the use of any direct debit/ standing order on the Authority's accounts.	FA 26.03.12 Min No. 131.4
5.63	To arrange the reconciliation of the main bank account with the Authority's cash accounts.	FA 26.03.12 Min No. 131.4
5.64	To ensure that all cheques, excluding those drawn on authorised imprest accounts, are ordered only on his/ her authority.	FA 26.03.12 Min No. 131.4
5.65	To make proper arrangements for the safe custody of cheques.	FA 26.03.12 Min No. 131.4
5.66	To ensure that cheques on the Authority's main bank accounts shall bear the facsimile signature of the Treasurer or be signed by him or another officer authorised by him for that purpose.	FA 26.03.12 Min No. 131.4
5.67	Request for payments by alternative methods must first be approved by the Treasurer.	FA 26.03.12 Min No. 131.4
5.68	Personal cheques of Fire and Rescue Authority Members or employees are not to be cashed.	FA 26.03.12 Min No. 131.4
5.69	To ensure that proper procedures are followed for receiving income by electronic means, including the internet.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

5.70	To ensure that all income collected is promptly banked.	FA 26.03.12 Min No. 131.4
5.71	To ensure that all income received by an officer, on behalf of the Authority, is paid in direct to the Authority's bank, or transmitted directly to any other body or person entitled thereto. No deduction may be made from any money held, save to the extent that the Treasurer may specifically authorise.	FA 26.03.12 Min No. 131.4
5.72	To ensure that, in accordance with the relevant Accounts and Audit Regulations, each employee who banks money, enters on the paying in slip, a reference to the related debt (such as the receipt number or the number or the name of the debtor) and indicate its place of origin on the reverse of each cheque.	FA 26.03.12 Min No. 131.4
5.73	To ensure that all income received on behalf of the Authority is properly safeguarded from the time it is received until the time that it is banked (e.g. kept in a safe or locked receptacle).	FA 26.03.12 Min No. 131.4
5.74	To ensure that in the transport of money by any employee for banking, or other purpose, that employee and his or her supervisor have due regard for the safety of employees (including the employee transporting such money), and for the proper security of cash. The Principal Officer shall ensure arrangements are made which incorporate the necessary safeguards.	FA 26.03.12 Min No. 131.4
5.75	To ensure that any subsidiary bank accounts do not become overdrawn.	FA 26.03.12 Min No. 131.4
5.76	To ensure that payments made through the Fire and Rescue Authority's bank account are properly authorised, correctly calculated, valid and in accordance with Fire and Rescue Authority's procurement and payment procedures.	FA 26.03.12 Min No. 131.4

Ordering and Payment for Work, Goods and Services

Why is this Important?

5.77	Public money should be spent with demonstrable probity and in accordance with the Authority's policies. Local 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 Contract Standing Orders.	FA 26.03.12 Min No. 131.4
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Key Controls

5.78	<p>The key controls for ordering and paying for work, goods and services are:</p> <ul style="list-style-type: none"> • all orders shall be in a form approved by the Treasurer; • official orders will be raised for all work, goods or services to be supplied to the Authority, except for supplies of utilities, periodic payments, petty cash purchases or other exceptions specified by the Treasurer; • all goods, works and services are ordered only by appropriate persons and are correctly recorded; • all goods and services shall be ordered in accordance with the Authority's Contract Standing Orders, unless they are purchased from sources within the Authority; • goods, works and services received are checked to ensure they are in accordance with the order; • payments are not made unless goods, works or services have been received by the Authority to the authorised price, quantity and quality standards, subject to tolerance levels set by the Treasurer; • all payments are made to the correct person/ supplier, for the authorised amount and are properly recorded, regardless of the payment method; • all officers and members are required 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; • all appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with guidance issued by the Treasurer; • all expenditure is accurately recorded against the right budget, any exceptions are corrected and VAT is recorded against the correct VAT code; and • the use of e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically. 	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer and the Monitoring Officer – Procurement

5.79	To produce Contract Standing Orders and provide service areas with guidance relating to contracting and tendering arrangements.	FA 26.03.12 Min No. 131.4
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Responsibilities of Principal Officers – Procurement

5.80	To ensure that all employees comply with the Authority's Contract Procedure Rules.	FA 26.03.12 Min No. 131.4
5.81	To ensure that the service area 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 Contract Procedure Rules.	FA 26.03.12 Min No. 131.4
5.82	To make arrangements to ensure that every employee declares 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 the Officer Code of Conduct. Any employee declaring such an interest or having such an interest will not participate in (or act so as to influence or appear to influence) any decisions relating to the matter in which they have such an interest. All Fire and Rescue Authority Members involved in contractual or purchasing decisions on behalf of the Authority will declare any interests and act in accordance with the Members' Code of Conduct.	FA 26.03.12 Min No. 131.4
5.83	To ensure that officers within their service areas will not make any personal or private use of the benefits of any Authority contracts. For the avoidance of doubt, nothing in this paragraph will preclude an employee from taking advantage of Fire and Rescue Authority wide schemes, which have been approved by the Monitoring Officer in consultation with the Treasurer.	FA 26.03.12 Min No. 131.4
5.84	To ensure that all IT purchases conform to a standard identified by the Principal Officer responsible for ICT. Exceptional purchases, outside of these standards, shall be agreed in advance, in writing, with the Principal Officer.	FA 26.03.12 Min No. 131.4
5.85	To ensure that no financial systems are purchased without the prior agreement of the Treasurer.	FA 26.03.12 Min No. 131.4

Responsibilities of the Treasurer – Ordering

5.86	To approve the format of official orders and arrangements for placing orders under the approved Purchase Order Processing System.	FA 26.03.12 Min No. 131.4
5.87	To approve the processes in place for placing emergency orders.	FA 26.03.12 Min No. 131.4

5.88	To approve all exceptions to the use of official orders.	FA 26.03.12 Min No. 131.4
5.89	To approve any arrangements for the use of debit, credit and procurement cards.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers – Ordering

5.90	To ensure that official orders are raised through the approved purchase system for all works, goods and services supplied to the Authority except for internal services, periodical payments (e.g. utility payments), and for petty cash purchases, or such other exceptions as the Treasurer may approve.	FA 26.03.12 Min No. 131.4
5.91	To determine purchase order approval levels within each service area.	FA 26.03.12 Min No. 131.4
5.92	To ensure approved processes are used for raising urgently required orders where the normal procedure is not appropriate.	FA 26.03.12 Min No. 131.4
5.93	To ensure that employees do not use official orders to obtain goods or services for their private use.	FA 26.03.12 Min No. 131.4
5.94	To ensure that each order conforms to the directions of the Authority with respect to any policy on central purchasing, computer purchasing, standardisation, quality and sustainability as may from time to time be adopted by the Authority. Principal Officers shall make arrangements to ensure that all purchases comply with any legal or health and safety requirements.	FA 26.03.12 Min No. 131.4
5.95	To ensure that debit, credit and procurement cards are only used under arrangements approved by the Treasurer.	FA 26.03.12 Min No. 131.4
5.96	To make arrangements 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.	FA 26.03.12 Min No. 131.4
5.97	After due consideration, to arrange for nominations for officers for the roles of requisitioner and approver, ensuring there is adequate division of responsibility in place.	FA 26.03.12 Min No. 131.4
5.98	To maintain an up to date list of budget holders/ substitutes within their service area. No officer shall process or approve an order, or purport to do so, unless he/ she is duly authorised for that purpose.	FA 26.03.12 Min No. 131.4 FA 15.7.13 Min 42.1

5.99	To ensure that all requisitions used are authorised by a nominated “approver” with a financial approval limit greater than or equal to the value of the requisition.	FA 26.03.12 Min No. 131.4
5.100	Where a purchase requisition is forwarded for approval to any other officer (e.g. in the case of absence of the usual approver), this officer must also be a nominated approver with a financial approval limit greater than or equal to the value of the requisition.	FA 26.03.12 Min No. 131.4
5.101	To ensure that, prior to approving a requisition for purchase, the approving officer checks that:- <ul style="list-style-type: none"> • all relevant details have been entered and are correct; • there is adequate provision in the budget; • the items are appropriate for the purpose intended. 	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers – Goods Received

5.102	To make arrangements to ensure that goods, services and works are checked on receipt to verify that they are in accordance with the order. This check shall, where possible, be carried out by a different officer from the officer who approved the order. The officer carrying out the check shall make appropriate entries in inventories or stores records.	FA 26.03.12 Min No. 131.4
5.103	To ensure that goods (or services) received details are entered promptly onto the purchase system by the requisitioner or approver.	FA 26.03.12 Min No. 131.4

Responsibilities of the Treasurer – Payment

5.104	To make payments on behalf of the Authority with the exception of disbursements from petty cash imprests and from subsidiary bank accounts which have been authorised by the Treasurer. The normal method of payment of money due from the Authority shall be by cheque, BACS, CHAPs or other instrument drawn on the Authority’s bank account. The use of direct debit/ standing order requires the prior agreement of the Treasurer.	FA 26.03.12 Min No. 131.4
5.105	To make safe and efficient arrangements for all payments. All cheques shall be despatched under the authority of the Treasurer direct to the recipient and not returned to the originating service. In the exceptional circumstances when cheques do need to be returned to a service area for despatch with associated documents, this must be approved in advance by the relevant Operational Manager, and the cheque must not be passed to the initiating officer.	FA 26.03.12 Min No. 131.4

5.106	To ensure that payments made to sub-contracts in the construction industry are made in accordance with the Construction Industry Scheme and the Authority's procedures.	FA 26.03.12 Min No. 131.4
5.107	To make payments to contractors on an approved certificate, which must include details of the value of work, retention money, amounts previously certified and amounts now certified. These payments are to be made to contractors using authenticated receipts raised by service areas.	FA 26.03.12 Min No. 131.4
5.108	To provide advice on making payments by the most economical means.	FA 26.03.12 Min No. 131.4
5.109	To set tolerance levels for cost and quantity variations.	FA 26.03.12 Min No. 131.4
5.110	To agree any exceptions to payment through the approved purchasing system.	FA 26.03.12 Min No. 131.4
5.111	To approve all arrangements for supplier invoices. These relate to payments which do not have an associated order, such as utility payments.	FA 26.03.12 Min No. 131.4
5.112	To approve the format of General Claim by Payment forms.	FA 26.03.12 Min No. 131.4
5.113	To periodically check that General Claim for Payment forms and supplier invoices have been certified for payment by an authorised signatory.	FA 26.03.12 Min No. 131.4
5.114	To consider General Claim for Payment forms and supplier invoices to the extent that he/ she considers necessary, to make such enquiries and to receive such information and explanation as he/ she may reasonably require.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers – Payment

5.115	To make arrangements for the submission of accounts for payment in accordance with arrangements made by the Treasurer.	FA 26.03.12 Min No. 131.4
5.116	To ensure that payment is made only against a valid invoice or General Claim for Payment, not on statements of accounts. In exceptional circumstances, payment may be made against a photocopy or faxed invoice but only where the relevant service manager has confirmed that the original invoice has been lost and that he/ she has satisfied him/ herself that the invoice has not previously been paid.	FA 26.03.12 Min No. 131.4

5.117	To notify the Treasurer at 1 st April, or as required, of all outstanding expenditure relating to the previous financial year, and to comply with any instruction issued in connection with the year-end accounting arrangements (accruals).	FA 26.03.12 Min No. 131.4
5.118	To ensure that the approved purchasing system is used for all payments; and that any exceptions have been agreed previously by the Treasurer.	FA 26.03.12 Min No. 131.4
5.119	To ensure that there is a segregation of duties between the officers requisitioning, approving and inputting invoices for payment. Any exceptions to this require the prior approval of the Principal Officer and an officer nominated by the Treasurer.	FA 26.03.12 Min No. 131.4
5.120	To ensure that invoices are input to the system without delay, in the manner specified by the Treasurer.	FA 26.03.12 Min No. 131.4
5.121	To ensure that invoices that do not meet the set tolerance levels are promptly dealt with. Where there is no match to an order and/ or a delivery note, to ensure that further approval as required is given by a nominated approver/ substitute.	FA 26.03.12 Min No. 131.4
5.122	To ensure that invoices are not processed until the inputting officer is satisfied that delivery details have been entered.	FA 26.03.12 Min No. 131.4
5.123	To ensure that all invoices input for payment are filed and stored securely in the manner prescribed by the Treasurer.	FA 26.03.12 Min No. 131.4
5.124	To ensure that all General Claims for Payment are completed on a form approved by the Treasurer. These must not be used in place of any invoice, demand, fee note or other written request for payment received from a creditor, and all relevant supporting documentation must be attached to support the payment.	FA 26.03.12 Min No. 131.4
5.125	To ensure that a General Claim for Payment is completed by a designated officer and then passed to an authorised signatory for certification.	FA 26.03.12 Min No. 131.4
5.126	To ensure that before a General Claim for Payment is authorised, the authorising officer undertakes the following checks:- <ul style="list-style-type: none"> • the payment is properly the liability of the Authority; • the work, goods or services to which the account relates have been received, carried out, examined and approved as to the quality and quantity (where appropriate); • the prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct; • the expenditure has been properly coded to the relevant service area; 	FA 26.03.12 Min No. 131.4

	<ul style="list-style-type: none"> • expenditure is within budget; • where a payment includes VAT, in accordance with HM Revenue and Customs Regulations:- <ul style="list-style-type: none"> ○ the invoice is a tax invoice with the relevant Company VAT number; ○ for construction industry payments, an authenticated receipt will be obtained, or; ○ for payments made in advance of services/ goods being received, a tax receipt will be obtained. 	
5.127	To ensure that payment in advance of the receipt of goods or services is only made where it is essential in order to secure the particular supply required or where a beneficial discount would otherwise be lost.	FA 26.03.12 Min No. 131.4
5.128	To ensure that duly certified General Claims for Payment and direct payment invoices are passed without delay to the Treasurer.	FA 26.03.12 Min No. 131.4
5.129	To ensure that authorising officers promptly reject any invoices containing an error or discrepancy, or which do not relate to the cost centre shown.	FA 26.03.12 Min No. 131.4

Imprest Accounts

Why is this Important?

5.130	Imprest Accounts are used for minor items of expenditure. It is important that such accounts are properly managed, and that all expenditure is valid and correctly incurred.	FA 26.03.12 Min No. 131.4
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Key Controls

5.131	<p>The key controls for the operating of Imprest Accounts are:-</p> <ul style="list-style-type: none"> • all Imprest Accounts should be operated in accordance with guidance issued by the Treasurer; • regular reconciliations between the imprest sum advanced and imprest records are undertaken. 	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

5.132	Where he/ she considers it appropriate to open an account with the Authority's bankers for use by the imprest holder.	FA 26.03.12 Min No. 131.4
5.133	To determine the imprest level.	FA 26.03.12 Min No. 131.4

5.134	To periodically review the arrangements for the safe custody and control of Imprest accounts.	FA 26.03.12 Min No. 131.4
5.135	To reimburse imprest holders as often as necessary to restore the imprests and to keep a record of such advances.	FA 26.03.12 Min No. 131.4
5.136	To provide guidance on how imprest accounts are to be operated and how records are to be kept of payments and reimbursements.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

5.137	To ensure that all imprest accounts are maintained in accordance with the Authority's procedures.	FA 26.03.12 Min No. 131.4
5.138	To maintain a list of officers in their service areas who are authorised to hold imprest accounts.	FA 26.03.12 Min No. 131.4
5.139	To notify the Treasurer when an imprest holder leaves the service area and to ensure that the imprest advanced is accounted for to the Treasurer, unless responsibility for the imprest is transferred to a different officer, in which case the Treasurer should be notified of the new account holder.	FA 26.03.12 Min No. 131.4
5.140	To agree with the Treasurer the procedure for reimbursing expenditure imprest accounts.	FA 26.03.12 Min No. 131.4
5.141	To ensure that officers: <ul style="list-style-type: none"> • do not, under any circumstances, allow personal cheques to be cashed, or personal loans to be made, from monies held in an imprest account; • obtain and retain a receipt to substantiate each payment from the imprest, which should be attached to a voucher and authorised. Particular care shall be taken by the employee to obtain a VAT invoice when this tax is charged; • restrict the amount of each separate payment to such limit as may be prescribed from time to time by the Treasurer; • maintain records and operate the account in accordance with the Treasurer's instructions; • maintain the safe custody of imprest cash by keeping it securely locked away preferably in a safe; guidance on this matter can be obtained from the Treasurer; • produce, upon demand, to the Treasurer or his/ her representative cash and/or vouchers to the total of the imprest; • record transactions promptly; • when requested, give to the Treasurer a certificate as to the state of his/ her imprest advance; 	FA 26.03.12 Min No. 131.4

	<ul style="list-style-type: none"> • where an imprest is operated through a bank account, ensure that the account remains in credit, and that the procedures set out under banking arrangements in the Financial Procedure Rules are followed. It shall be a standing instruction to the Authority's bankers that the amount of any overdrawn balance on an imprest holder's account shall be reported forthwith to the Treasurer; • do not make salaries or wages payments to employees from an imprest account. No payment must be made to sub-contractors for building work unless authorised by the Treasurer; • reconcile and balance the account to the total of the sum advanced, at least monthly, with a copy of the reconciliation sheet signed and retained by the imprest holder. Periodic checks shall be made by a senior officer to ensure that this is being properly carried out; • on leaving the employment of the Authority, or otherwise ceasing to be entitled to hold an imprest advance, account to the relevant Principal Officer for the amount advanced. 	
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Payment to Employees and Members

Why is this Important?

5.142	Staff costs are the largest item of expenditure for most local 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 approved by full Fire and Rescue Authority.	FA 26.03.12 Min No. 131.4
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Key Controls

5.143	<p>The key controls for payments to officers and Members are:</p> <ul style="list-style-type: none"> • proper authorisation procedures are in place, and that there is adherence to corporate timetables in relation to starters, leavers, variations and enhancements, and that payments are made based on timesheets or claims where appropriate; • names on the payroll are checked at regular intervals to verify accuracy and completeness; • frequent reconciliation of payroll expenditure against approved budgets; • all appropriate payroll documents are retained and stored for the defined period, in accordance with guidance issued by the Treasurer; 	FA 26.03.12 Min No. 131.4
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	<ul style="list-style-type: none"> • all expenditure, including VAT, is accurately recorded against the right service area; • HM Revenue and Customs Regulations are complied with. 	
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Responsibilities of the Treasurer

5.144	To arrange, control and make accurate and timely payment of all staff and Members: <ul style="list-style-type: none"> • salaries and wages; • pensions; • tax and national insurance; • car mileage, travel subsistence and other incidental allowances/ expenses. 	FA 26.03.12 Min No. 131.4
5.145	To approve the form of all timesheets, overtime forms, car mileage and travel and subsistence claims, and any other payroll related records.	FA 26.03.12 Min No. 131.4
5.146	To maintain an up to date list of all officers authorised to approve timesheets, overtime forms, car mileage and travel and subsistence claims, and all other payroll related records.	FA 26.03.12 Min No. 131.4
5.147	To check periodically that all officer claims for salaries, wages, overtime, travel, and subsistence and other allowances/ expenses are correctly certified by an authorised signatory before payment is made.	FA 26.03.12 Min No. 131.4
5.148	To maintain all necessary personal records concerning pay, pension, national insurance contributions and income tax and make all relevant payments on behalf of both employees and the Authority to the appropriate Government agencies.	FA 26.03.12 Min No. 131.4
5.149	To issue guidance to service areas on the retention of payroll records. All payroll records relating to Income Tax and National Insurance are to be retained for six years plus the current year, to satisfy the requirements of the Taxes Management Act. Records relating to pensions should be retained for six years following the cessation of any liability.	FA 26.03.12 Min No. 131.4
5.150	Where staff have access to the Authority's computerised payroll system, names of all officers authorised to do so shall be retained and kept up to date. Each officer shall have a password that must be confidential and not divulged to any person in any circumstances (in accordance with the Authority's IT Security Policy).	FA 26.03.12 Min No. 131.4

Responsibilities of the Monitoring Officer to the Fire and Rescue Authority

5.151	To approve payments of Members' allowances, travel and subsistence upon receiving the prescribed form, duly completed and authorised. All claims will be examined and checked for reasonableness with respect to the amounts claimed. A record of authorised signatories shall be retained and kept up to date.	FA 26.03.12 Min No. 131.4
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Responsibilities of the Director of HR

5.152	To ensure that the appointment of officers is made in accordance with the Procedure Rules of the Fire and Rescue Authority and the approved establishments, grades and rates of pay.	FA 26.03.12 Min No. 131.4
5.153	To approve the format of all records relating to the notification of appointments, terminations, sickness, special leave and any other personal matter.	FA 26.03.12 Min No. 131.4
5.154	To maintain all necessary records relating to the appointment, termination and all other personnel matters.	FA 26.03.12 Min No. 131.4
5.155	To issue on a regular basis (e.g. quarterly) to each staffing budget holder, a listing of all employees within the budget holder's areas of responsibility for verification.	FA 26.03.12 Min No. 131.4
5.156	Where HR staff have access to the Authority's computerised personnel system, names of all officers authorised to do so shall be retained and kept up to date. Each employee shall have a password that must be confidential and not divulged to any person in any circumstances (in accordance with the Authority's IT Security Policy).	FA 26.03.12 Min No. 131.4
5.157	To ensure that HR staff do not have update access to the payroll screens on the Authority's computerised personnel and payroll system without the express approval of the Treasurer.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

5.158	To furnish the Treasurer with all documents that are required to arrange payment by the due date and any documentation required for pension, income tax and national insurance purposes.	FA 26.03.12 Min No. 131.4
5.159	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.	FA 26.03.12 Min No. 131.4

5.160	To ensure that time sheets, overtime forms or other payroll related records in a form prescribed or approved by the Treasurer. All such records shall be appropriately certified in manuscript, by an authorised signatory.	FA 26.03.12 Min No. 131.4
5.161	To make arrangements to ensure that the Director of HR and the Treasurer, as appropriate, are notified promptly, and in the approved format, of all matters affecting the remuneration of officers within their service area, and in particular: <ul style="list-style-type: none"> • appointments, resignations, dismissals, suspensions, secondments and transfers; • absences from duty for sickness or other reasons apart from approved leave; • changes in remuneration, other than normal increments and pay awards and agreements of general application; and • information necessary to maintain records of service for pension, income tax, national insurance and the like. 	FA 26.03.12 Min No. 131.4
5.162	To ensure that adequate and effective systems and procedures are operated, so that: <ul style="list-style-type: none"> • payments are only authorised to bona fide employees; • payments are only made where there is a valid entitlement; • conditions and contracts of employment are correctly applied; • employees' details listed on the payroll are checked at regular intervals to verify accuracy and completeness; • the same person does not both complete and authorise a timesheet, overtime form or other claim for payment; • persons involved in the different processes of completing and authorising a timesheet, overtime form or other claim for payment are clearly identifiable on the relevant document; • adequate supporting records are maintained to back up summary timesheet entries, completed by an individual on behalf of a group of employees. The supporting records must show the start and finish times of each employee each day, and should be signed by the employee concerned; • no employee may certify or authorise a payment or other benefit to himself/ herself or any document which would lead to a payment or other benefit to himself/ herself. 	FA 26.03.12 Min No. 131.4
5.163	To ensure that the service area maintains and reviews periodically a list of officers approved to authorise timesheets, overtime forms and other payroll related records together with specimen signatories, and to ensure that only authorised officers authorise payments.	FA 26.03.12 Min No. 131.4

5.164	To ensure that the service area reviews the establishment list issued by the Director of HR on a regular basis (e.g. quarterly) and confirms the accuracy of the report.	FA 26.03.12 Min No. 131.4
5.165	To ensure that payroll transactions are processed only through the payroll system. "Cash in hand" and other non PAYE payments are not permitted. Principal Officers shall give careful consideration to the employment status of individuals employed on a self-employed, consultant or subcontract basis. The HM Revenue and Customs applies a tight definition for employee status, and in cases of doubt, advice shall be sought from the Treasurer.	FA 26.03.12 Min No. 131.4
5.166	To ensure that all claims for the payment of car mileage, travel and subsistence, and incidental expenses are submitted promptly by officers in the approved format each month.	FA 26.03.12 Min No. 131.4
5.167	To arrange for the correct certification of claims for car mileage, travel and subsistence, and incidental expenses. Certification by the Principal Officer or an officer authorised by him/ her shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred in connection with the Authority's business, the most cost effective route and means of transport was used and that the allowances claimed are properly payable by the Authority. The names of officers authorised by Principal Officers to approve such records shall be retained in each service area, and this shall be amended on the occasion of any change. The accuracy of the information contained in a claim shall be the responsibility of the employee concerned. Due consideration should be given to tax implications and that the Treasurer is informed where appropriate.	FA 26.03.12 Min No. 131.4 FA 15.7.13 Min 42.1
5.168	To ensure that claims for travel, subsistence and other allowances are paid through the payroll system to ensure the correct treatment for Tax and National Insurance purposes.	FA 26.03.12 Min No. 131.4
5.169	To ensure that the Treasurer is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.	FA 26.03.12 Min No. 131.4
5.170	To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with guidance issued by the Treasurer.	FA 26.03.12 Min No. 131.4

Responsibilities of Members

5.171	To submit claims for travel or subsistence allowances on the prescribed form duly completed. All claims shall be submitted promptly, every month. The accuracy of the information contained in a claim shall be the responsibility of the Member or co-opted Member concerned.	FA 26.03.12 Min No. 131.4
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Taxation

Why is this Important?

5.172	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 can be severe. It is, therefore, very important for all officers to be aware of their role.	FA 26.03.12 Min No. 131.4
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Key Controls

5.173	The key controls for taxation are: <ul style="list-style-type: none">• budget managers are provided with relevant information and kept up to date on tax issues;• budget managers are instructed on required record keeping;• all taxable transactions are identified, properly carried out and accounted for within stipulated timescales;• records are maintained in accordance with instructions;• returns are made to the appropriate authorities within the stipulated timescales.	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

5.174	To complete all HM Revenue and Customs returns regarding Pay As You Earn (PAYE).	FA 26.03.12 Min No. 131.4
5.175	To complete VAT returns and to supply other information as specified by HM Revenue and Customs.	FA 26.03.12 Min No. 131.4
5.176	To provide details to the HM Revenue and Customs of deductions made under the Construction Industry Tax Deduction Scheme.	FA 26.03.12 Min No. 131.4
5.177	To advise 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.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

5.178	<p>To ensure that where VAT is accounted for in respect of a payment, in accordance with HM Revenue and Customs regulations, the following conditions are satisfied:-</p> <ul style="list-style-type: none"> • the payment relates to a supply of goods or services to the Fire and Rescue Authority or to some other body covered by the Fire and Rescue Authority's VAT registration; • unless otherwise authorised, a VAT invoice (or receipt) is held in respect of the payment; • where a payment is made to a contractor in the construction industry on the authority of an architect's certificate, an authenticated receipt is obtained as soon as possible; • the VAT identified on the VAT invoice is identified and coded correctly; • that VAT invoices are processed expeditiously and are not unduly delayed. 	FA 26.03.12 Min No. 131.4
5.179	To ensure that VAT is accounted for, in the correct tax period, on all supplies of goods and services made by the Fire and Rescue Authority that are subject to VAT.	FA 26.03.12 Min No. 131.4
5.180	To ensure that a VAT invoice (or receipt) is issued upon request by any person to whom taxable supplies of goods or services have been made by the Fire and Rescue Authority, showing the VAT charged.	FA 26.03.12 Min No. 131.4
5.181	To ensure that all VAT invoices are raised and processed expeditiously.	FA 26.03.12 Min No. 131.4
5.182	To ensure that documents identifying VAT transactions, including proof of payment and banking records, are retained for the period specified by HM Revenue and Customs.	FA 26.03.12 Min No. 131.4
5.183	To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.	FA 26.03.12 Min No. 131.4
5.184	To ensure that all persons employed by the Authority are added to the Authority's payroll and that tax is deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.	FA 26.03.12 Min No. 131.4
5.185	To follow the guidance on taxation issued by the Treasurer.	FA 26.03.12 Min No. 131.4

5.186	To ensure that arrangements are in place for all relevant staff to be informed about the correct VAT treatment of all transactions and of changes to this as notified by the Treasurer.	FA 26.03.12 Min No. 131.4
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SECTION 6 – EXTERNAL ARRANGEMENTS

Partnerships
External Funding
Work for Third Parties

Partnerships

Why is this Important?

6.1	Partnerships play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Local authorities are working in partnership with others 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 26.03.12 Min No. 131.4
6.2	Local authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local authorities will be measured by what they achieve in partnership with others.	FA 26.03.12 Min No. 131.4

General

6.3	The main reasons for entering into a partnership are to share risk, to access new resources, to provide new and better ways of delivering services and to forge new relationships.	FA 26.03.12 Min No. 131.4
6.4	A partner is defined as either: <ul style="list-style-type: none"> • an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project, or • a body whose nature or status give it a right or obligation to support the project. 	FA 26.03.12 Min No. 131.4
6.5	Partners have common responsibilities: <ul style="list-style-type: none"> • to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation; • to acknowledge that the best interest of the partnership is more important than the best interest of each participating group; • to acknowledge that the partnerships require a level of flexibility which may require non compliance with the Authority's Financial and Procurement & Contract Rules. Where this arises it should be formally approved by the Treasurer; 	FA 26.03.12 Min No. 131.4

	<ul style="list-style-type: none"> • to act in good faith at all times and in the best interests of the partnership's aims and objectives; • to be open about any conflict of interests that might arise; • to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors; • to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature; • to act wherever possible as ambassadors for the project. 	
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Key Controls

6.6	<p>The key controls for the Authority's partners are:</p> <ul style="list-style-type: none"> • to be aware of their responsibilities under the Authority's Financial and Contract Procedure Rules and to consider the appropriateness of each control to the partnership and any external funding guidance received; • to ensure that processes are put in place which ensure that the partnership is effective in carrying out its duties in the required timely manner; • to ensure that risk management processes are in place to identify and assess and mitigate all known risks without affecting the ability of the partnership to effectively function; • to ensure that project appraisal processes and a strategic business case is in place to assess the viability of the project in terms of resources, staffing and expertise; • to ensure that there is a sound legal vehicle in place prior to any project commencing; • to ensure that there are robust arrangements for decision making and that budgets agreed by partners are lawful; • to ensure clear accountability where the partnership uses grant income as a source of funding; • to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences; • to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution. 	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

6.7	To advise on the use of effective and waiving of ineffective controls within the partnership in order to ensure that resources are not wasted.	FA 26.03.12 Min No. 131.4
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6.8	To advise, as appropriate, on the key elements of funding a project, including:- <ul style="list-style-type: none"> • a scheme appraisal for financial viability in both the current and future years; • risk appraisal and management; • resourcing, including taxation issues; • audit, security and control requirements; • carry-forward arrangements. 	FA 26.03.12 Min No. 131.4
6.9	To ensure that the accounting arrangements are satisfactory.	FA 26.03.12 Min No. 131.4
6.10	To consider and approve any reasonably required variation to Financial Procedure Rules provided a satisfactory level of control over the interests of the Authority, its Officers and members is maintained.	FA 26.03.12 Min No. 131.4

Responsibilities of Principal Officers

6.11	To consult with the Treasurer, as necessary, on a scheme's appraisal for financial viability in both the current and future years.	FA 26.03.12 Min No. 131.4
6.12	To ensure that risk management processes are in place to identify, assess and management processes are in place to identify, assess and mitigate all known risks without affecting the ability of the partnership to effectively function.	FA 26.03.12 Min No. 131.4
6.13	To ensure that such agreements and arrangements do not impact adversely upon the services provided either by the Authority or the partnership.	FA 26.03.12 Min No. 131.4
6.14	To ensure that all agreements and arrangements are properly documented.	FA 26.03.12 Min No. 131.4
6.15	To provide appropriate information to the Treasurer to enable a note to be entered into the Authority's statement of accounts concerning material terms.	FA 26.03.12 Min No. 131.4

External Funding

Why is this Important?

6.16	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 authorities. Local authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds with external agencies provide additional resources to enable the Authority to deliver services to the local community. However, in some instances, although the scope of 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.	FA 26.03.12 Min No. 131.4
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Key Controls

6.17	<p>The key controls for external funding are:</p> <ul style="list-style-type: none"> • 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; • to ensure that funds are acquired only to meet the priorities approved in the policy framework by the full Fire and Rescue Authority; • to ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future capital and revenue budgets reflect these requirements. 	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

6.18	To ensure that all funding notified by external bodies is received and properly recorded in the Authority's accounts.	FA 26.03.12 Min No. 131.4
6.19	To ensure that the match-funding requirements are considered prior to entering into the agreements and that future capital and revenue budgets reflect these requirements.	FA 26.03.12 Min No. 131.4
6.20	To ensure that audit requirements are met.	FA 26.03.12 Min No. 131.4
6.21	To ensure that full consideration has been given to exit arrangements relating to time limited grant funding.	FA 26.03.12 Min No. 131.4

6.22	Where he or she is specifically responsible for submitting grant claims, to ensure that all claims for funds are made by the due date.	FA 26.03.12 Min No. 131.4
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Responsibilities of Principal Officers

6.23	To ensure that all checks are carried out to make certain that funding instructions associated in a bid for external funding are taken into account.	FA 26.03.12 Min No. 131.4
6.24	To maintain adequate supporting documentation to enable claims for funding to be maximised.	FA 26.03.12 Min No. 131.4
6.25	To ensure that all claims for funds are made by the due date.	FA 26.03.12 Min No. 131.4
6.26	To ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.	FA 26.03.12 Min No. 131.4

Work for Third Parties

Why is this Important?

6.27	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 within the Authority's legal powers.	FA 26.03.12 Min No. 131.4
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Key Controls

6.28	<p>The key controls for working with third parties are:</p> <ul style="list-style-type: none"> • to ensure that proposals are costed properly in accordance with guidance provided by the Treasurer; • to ensure that contracts are drawn up using guidance provided by the Treasurer and that the formal approvals process is adhered to; • to issue guidance with regard to the financial aspects of third party contracts with the maintenance of the contract register. 	FA 26.03.12 Min No. 131.4
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Responsibilities of the Treasurer

6.29	To issue guidance with regard to the financial aspects of third party contracts.	FA 26.03.12 Min No. 131.4
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Responsibilities of Principal Officers

6.30	To ensure that appropriate insurance arrangements are made.	FA 26.03.12 Min No. 131.4
6.31	To ensure that the Authority is not put at risk from any bad debts.	FA 26.03.12 Min No. 131.4
6.32	To ensure that, wherever practicable, payment is received in advance of the delivery of the service.	FA 26.03.12 Min No. 131.4
6.33	To ensure that the department/ unit has the appropriate expertise to undertake the contract.	FA 26.03.12 Min No. 131.4
6.34	To ensure that such contracts do not impact adversely upon the services provided by the Authority.	FA 26.03.12 Min No. 131.4
6.35	To ensure that all contracts are properly documented.	FA 26.03.12 Min No. 131.4
6.36	To provide appropriate information to the Treasurer to enable a note to be entered into the statement of accounts.	FA 26.03.12 Min No. 131.4