

**SECTION D 3**

**FINANCIAL REGULATIONS**

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Responsible Officer	First Section Issue Date	Section Amended/Updated	Review Date
Assistant Director Resources/Treasurer	September 2023	All	September 2025

## **Introduction**

East Sussex Fire Authority ("the Authority") has been established as a body corporate in accordance with the Combination Scheme ("The Scheme"), attached to the East Sussex Fire Services Combination Order 1996. Under paragraph 7 of the Scheme, the Authority has appointed a Treasurer, to ensure that proper arrangements are made for the administration of the Authority's financial affairs.

In accordance with the Treasurer's role, these Regulations outline the system of financial administration to be operated by the Authority and its fire & rescue service, East Sussex Fire & Rescue Service. All references in these Regulations to the Authority include East Sussex Fire & Rescue Service. The role of Treasurer is currently combined with the post of Assistant Director Resources/Treasurer, hence this reference is used throughout the document.

Where reference is made to the Senior Leadership Team (SLT) this means those postholders who are full members of SLT i.e. Principal Officers and Assistant Directors acting both collectively and individually.

Local Government Acts and other regulations or codes of practice are quoted in these Financial Regulations where they are applicable in accordance with The Scheme or have been adopted by the Authority.

These Regulations outline the system of financial administration to be operated by the Authority and it shall be the responsibility of the Authority and the Chief Fire Officer & Chief Executive to ensure that they are observed.

Where the Authority has delegated powers to the Chief Fire Officer & Chief Executive these shall be exercised in accordance with the Financial Regulations.

Financial Regulations shall be deemed to be part of Standing Orders insofar as they relate to the conduct of business in the meetings of the Authority and its Panels.

The Chief Fire Officer & Chief Executive shall consult with the Assistant Director Resources/Treasurer in respect of any matter within their responsibilities which may affect the finances of the Authority before any provisional or other commitment is made, or before reporting thereon to the Authority and its Panels.

In these Financial Regulations, references to an employee of the Authority shall include any officer of the Authority and references to an officer of the Authority shall include references to an employee of the Authority, unless, in either case, the context requires otherwise.

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### **1 GENERAL**

- 1.1 The purpose of these Financial Regulations is to provide a framework of control, responsibility and accountability for the proper administration of the Authority's financial affairs and to enable the Chief Fire Officer & Chief Executive, the Assistant Director Resources/Treasurer and other officers to carry out their statutory duties.
- 1.2 In addition, Financial Regulations have an important role in establishing a sound system of corporate governance for the Authority and supporting its Anti-Fraud, Bribery & Corruption Policy. All officers have individual and collective responsibility for ensuring that the fundamental principles of openness, integrity and accountability are established and maintained through compliance with Financial Regulations.
- 1.3 For the purposes of Section 112 of the Local Government Finance Act 1988, the Assistant Director Resources/Treasurer is responsible for the proper administration of the Authority's financial affairs. Furthermore, under Section 114 of the Local Government Finance Act 1988 the Assistant Director Resources/Treasurer is required to report where they believe the Authority or an officer is likely to make a decision or take a course of action which would lead to unlawful expenditure or is likely to cause a loss or deficiency, or where the Authority's expenditure is likely to significantly exceed the available resources. To enable the Assistant Director Resources/Treasurer to carry out these duties the Chief Fire Officer & Chief Executive and officers with delegated authority must provide such information as requested within any timescale set for the provision.
- 1.4 The Assistant Director Resources/Treasurer shall be the chief financial adviser to the Authority and shall keep the Authority informed of the financial implications of all new policies and changes of policy.
- 1.5 Copies of notifications from Government Departments including consents, approvals, regulations, circulars, letters, etc. in any way relating to finance shall be forwarded by the Chief Fire Officer & Chief Executive immediately to the Assistant Director Resources/Treasurer
- 1.6 Notices of all meetings and copies of all agenda, reports and minutes of the Fire Authority and its Panels shall be sent to the Assistant Director Resources/Treasurer as soon as they are available.
- 1.7 The Chief Fire Officer & Chief Executive and members of the Senior Leadership Team shall consult the Assistant Director Resources/Treasurer on any matter containing financial implications for either the Revenue Budget or Capital Programme before reporting thereon to the Authority. Any report must, where the Assistant Director

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Resources/Treasurer considers it appropriate, include their views as well as those of the Chief Fire Officer & Chief Executive.

- 1.8 Financial Regulations endorse the Chartered Institute of Public Finance and Accountancy statement "The Role of the Chief Financial Officer in Financial Administration in Local Government" in respect of the role of the Chief Finance Officer.
- 1.9 Nothing in these Regulations shall prevent the Chief Fire Officer & Chief Executive, in consultation with the Assistant Director Resources/Treasurer incurring expenditure essential to meet the needs of an emergency or disaster subject to their action and any resulting costs being reported to the Policy & Resources Panel at the earliest opportunity.
- 1.10 All payments to and out of the Fire Service Account shall be made under the direction of the Assistant Director Resources/Treasurer.
- 1.11 The Chief Fire Officer & Chief Executive shall consult the Assistant Director Resources/Treasurer and the Monitoring Officer prior to the Authority entering into any formal legally binding partnership arrangement, including a joint venture or a pooled budget or where the Authority becomes an Accountable Body. The Chief Fire Officer & Chief Executive shall ensure that adequate and appropriate technical and financial appraisal of all partners is undertaken and ensure that adequate accounting and governance arrangements are established, including internal audit access, in consultation with the Assistant Director Resources/Treasurer.
- 1.12 Where the Chief Fire Officer & Chief Executive arranges for staff to exercise powers delegated to them in accordance with a scheme of authorisation, a record including appropriate documentation of such authorisation shall be maintained. Those staff to whom authorisation is given shall be responsible for establishing sound systems of internal control and ensuring compliance with Financial Regulations.
- 1.13 These Financial Regulations are subject to Accounts and Audit Regulations (2015 or subsequent) issued by Government under S23 of the Local Government Finance Act 1988. Accounts and Audit Regulations establish statutory provisions for accounting arrangements, for audit arrangements and for financial control within the Authority.

## **2 CONTROL OF FINANCIAL INFORMATION AND SYSTEMS**

- 2.1 The Chief Fire Officer & Chief Executive and members of the Senior Leadership Team shall conform with and follow the Authority's IT Strategy and will seek advice from the Assistant Director Resources/Treasurer on the introduction of new systems and

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processes, especially to ensure that both adequate controls are in place and value for money is achieved.

- 2.2 Any proposal to purchase or develop an IT system (whether hardware, software or communications equipment) shall be the subject of a business case in an approved form and in accordance with the Authority's IT Strategy. In the same manner, such proposals will also be subject to post implementation review.
- 2.3 Minimum standards of control for any new system or development of an existing system that involves a financial operation or produces output that may influence such an operation must be agreed with the Assistant Director Resources/Treasurer.
- 2.4 The Chief Fire Officer & Chief Executive shall be responsible for the control of systems in operation within the Authority and the security and privacy of data necessary to accord with the Data Protection Act and General Data Protection Regulation (GDPR). When accessing systems external to the Authority, the Chief Fire Officer & Chief Executive will also be responsible for ensuring that agreed procedures are followed.
- 2.5 The Assistant Director Resources/Treasurer must be consulted on the development of any financial systems whether computerised or manual at the earliest practicable stage and the approval of the Assistant Director Resources/Treasurer is required prior to implementing such systems.

## **3 ACCOUNTING**

- 3.1 The Assistant Director Resources/Treasurer has overall responsibility for the operation of financial processes within the Authority and shall ensure that adequate controls are in place. The Chief Fire Officer & Chief Executive and members of the Senior Leadership Team shall ensure compliance with all financial controls and processes within their areas of the Service.
- 3.2 Accounting systems, financial accounts and supporting records shall be determined by the Assistant Director Resources/Treasurer in accordance with the Accounts and Audit Regulations and other Accounting Codes and Standards. It shall be the responsibility of the Assistant Director Resources/Treasurer to ensure that such accounts and systems are kept up to date either through the staff under the Assistant Director Resources/Treasurer's control or other appointed agents.
- 3.3 The Chief Fire Officer & Chief Executive and the Assistant Director Resources/Treasurer shall be responsible for maintaining full and accurate records sufficient to process the necessary financial and statistical information to enable them each to report fully and accurately on the finances of the Authority.

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- 3.4 Where it is a requirement of an awarding body, or where the Assistant Director Resources/Treasurer requires it, before claims for grant or reimbursement are submitted to any government department or other body, they shall be sent to the Assistant Director Resources/Treasurer for examination and certification.
- 3.5 Bids for external funding shall be prepared in accordance with guidelines issued by, or in consultation with, the Assistant Director Resources/Treasurer. Where required, before applications are submitted to any government or other body, they shall be sent to the Assistant Director Resources/Treasurer for examination and to confirm that financial implications have been fully assessed.

## **4 AUDIT**

- 4.1 The Assistant Director Resources/Treasurer shall be responsible for maintaining an adequate and effective system of internal audit of the Authority's accounting records and its systems of internal control in accordance with proper practices as set out in the Accounts and Audit Regulations. The Assistant Director Resources/Treasurer shall submit an Internal Audit Strategy and Plan and an Internal Audit Report to the Authority annually for approval, following consultation with the Senior Leadership Team.
- 4.2 The agents for carrying out internal audit shall have the authority to:
- i. enter any Authority premises or land at any reasonable time, without prior notice;
  - ii. have access at all times to all records and documents (including email and correspondence) relevant to the business of the Authority as maintained by the Authority or third parties on its behalf including (but not limited to) external contractors and consultants;
  - iii. require and receive any information and explanations considered necessary to the audit;
  - iv. require any employee or agent of the Authority to account for assets under their control.
- 4.3 Immediately an employee suspects an irregularity affecting income, expenditure, cash, stores or any other resources of the Authority, including any suspected cases of money laundering, it is the employee's duty to report the matter to the Assistant Director Resources/Treasurer. The Assistant Director People Services and the Assistant Director Resources/Treasurer shall agree what action should be taken to investigate and report on the suspected irregularity, including reporting the matter to the police.



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- 4.4 The Chief Fire Officer & Chief Executive shall be responsible for ensuring that all employees are informed of the Fire Authority's Anti-Fraud, Bribery and Corruption Policy, the Code of Conduct for Employees and the Whistleblowing Policy, and that copies of the appropriate documents are provided to all new employees.

### **5 BUDGET PROCEDURES**

- 5.1 The Chief Fire Officer & Chief Executive and Assistant Director Resources/Treasurer shall jointly prepare annual estimates for both revenue and capital expenditure for presentation to the Authority at such time and for such period as may be determined by the Authority. The estimates shall be in a form agreed by the Assistant Director Resources/Treasurer and shall be in accordance with any criteria set by the Authority.
- 5.2 Each year, in accordance with the Local Government Act 2003, the Assistant Director Resources/Treasurer shall report on the robustness of the estimates and the adequacy (or otherwise) of the Authority's reserves to the Authority when they consider the budget and setting the Council Tax.
- 5.3 The Assistant Director Resources/Treasurer shall prepare a Medium Term Financial Plan setting out the Authority's government and local funding, directorate budgets and any other known funding, commitments or pressures for the next five years, or such other minimum period as may be prescribed by the Authority.
- 5.4 It is the responsibility of the Assistant Director Resources/Treasurer to advise the Authority on prudent levels of reserves, having regard to assessment of the financial risks facing the Authority. This duty is set out in Section 25 of the Local Government Act 2003. The Authority's Reserves Policy will be reviewed annually and approved when the budget is set.
- 5.5 As a Precepting authority, the Authority shall comply with the statutory timetable for issuing precepts to Billing Authorities. The Assistant Director Resources/Treasurer, duly authorised by the Authority, shall issue the appropriate precept to each Billing Authority.
- 5.6 As part of the approved budget, a contingency provision may be approved each year by the Authority. Once approved, allocations will only be made from the contingency provision with the specific approval of the Chief Fire Officer & Chief Executive and Assistant Director Resources/Treasurer.
- 5.7 Where a scheme of delegated financial management has been developed and approved by the Authority, detailed estimates shall be prepared in accordance with the scheme. These are as set out in Section 21.

## **6 BUDGETARY CONTROL**

### **6.1 Revenue Budget**

- 6.1.1 The Chief Fire Officer & Chief Executive shall be responsible for managing and directing resources to achieve the objectives of the budget. This will involve monitoring of expenditure and income and the regular review of performance. Where budgets are delegated to members of the Senior Leadership Team and other officers (“budget managers”) they are charged with the same responsibilities.
- 6.1.2 No expenditure shall be incurred which is not covered by an approved budget. If the Chief Fire Officer & Chief Executive, or another officer to whom a budget has been delegated, is of the opinion that a budget will be or is likely to be overspent then they must advise the Assistant Director Resources/Treasurer and jointly investigate and put forward to the Policy & Resources Panel a financial proposal for dealing with the overspend.
- 6.1.3 Budget transfers (virements) may be made in accordance with the procedures set out in Section 21.
- 6.1.4 Earmarked income received for a specific purpose may only be spent for the purpose it was received. In addition, the Assistant Director Resources/Treasurer must be satisfied that the proposal will not incur additional commitments for future years. Where commitments do arise, the approval of the Policy & Resources Panel must be obtained.
- 6.1.5 During each financial year, the Assistant Director Resources/Treasurer shall submit revenue budget monitoring statements, including forecasts for the full financial year, to the Policy & Resources Panel in a format and at such intervals as the Panel may determine.
- 6.1.6 The Assistant Director Resources/Treasurer will report on the outturn of expenditure and income to the Policy & Resources Panel as soon as practicable after the end of the financial year.
- 6.1.7 The Assistant Director Resources/Treasurer shall certify that the Statement of Accounts has been prepared in accordance with the Accounts & Audit Regulations and that the statement represents fairly the financial position of the Authority.



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### **6.2 Capital Programmes**

- 6.2.1 Capital expenditure will be considered as part of the capital programme where items fall within Government or statutory definitions or exceed a minimum threshold value. The Assistant Director Resources/Treasurer will periodically review the minimum threshold value below which projects cannot be charged to capital.
- 6.2.2 Capital projects shall be incorporated in a Capital Programme having regard to the Prudential Code for Capital Finance issued by the Chartered Institute of Public Finance & Accountancy. The Capital Programme shall be considered by the Authority, in conjunction with the annual revenue budget process, detailing the phasing of expenditure on such projects and the full year revenue cost associated with each project, and having regard to the level of available resources and the Prudential Code.
- 6.2.3 The Assistant Director Resources/Treasurer, will determine the resources available for the Capital Programme, taking into consideration the availability of reserves and balances, funding from other bodies and the affordability of borrowing.
- 6.2.4 No expenditure shall be incurred on capital projects which are not included in the approved capital programme and no contracts entered into or tender accepted unless the Authority is satisfied that the necessary borrowing powers or other resources, and if applicable, Government approvals have been received.
- 6.2.5 The Capital Programme may be varied with the agreement of the Assistant Director Resources/Treasurer, if no additional unfunded commitments for future years are incurred, in the following circumstances where:
- i. budget provision is transferred to capital expenditure financed from the revenue account (CERA) up to a maximum of 5% of the Revenue Budget in any financial year;
  - ii. where earmarked capital receipts and grants or other specific funding are spent for the purpose they were received, provided that capital resources are enhanced by the amount received and that the capital receipts are received either before the payments are made, or within the same financial year.

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All other variations to the Capital Programme must be approved by the Policy & Resources Panel.

- 6.2.6 The Fire Authority's Capital Programme and Project Management processes must be followed for all Capital Schemes.
- 6.2.7 Any significant alteration to the size, content or specification of a scheme which increases the cost by more than 10% must have the prior approval of the Policy & Resources Panel. Variations within 10% of a scheme's budget can be agreed by the Assistant Director Resources/Treasurer, where funding has been identified (as outlined in 6.2.5 above) and must be reported to the Policy & Resources Panel in a timely manner.
- 6.2.8 If a tender price is higher than the estimated total cost by 10% of the scheme and would result in the capital provision being exceeded then, with the exception of major Government approved projects, provision may be transferred from one approved project to another with the approval of the Chief Fire Officer & Chief Executive, in consultation with the Assistant Director Resources/Treasurer. If such a transfer is not possible then the approval of the Policy & Resources Panel must be obtained before the tender is accepted.
- 6.2.9 Once a contract for a Capital Scheme has been entered into, the Assistant Director Resources/Treasurer and Monitoring Officer must be consulted in relation to any proposed contract variation which would render the contract substantially different in scope and cost and approval sought as set out in the financial limits Section 21.
- 6.2.10 During each financial year, the Assistant Director Resources/Treasurer, shall submit capital programme monitoring statements, including forecasts for the full financial year, to the Policy & Resources Panel in a format and at such intervals as the Authority may determine.
- 6.2.11 The final cost of each capital scheme chargeable against the capital programme shall be reported by the Assistant Director Resources/Treasurer to the Policy & Resources Panel. If the final cost exceeds the provision in the capital programme by 10% or more, as soon as possible after completion together with explanations for variances from the estimated cost.
- 6.2.12 The Assistant Director Resources/Treasurer will report on the outturn of capital expenditure to the Policy & Resources Panel as soon as practicable after the end of the financial year.

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### **6.3 Personnel Budget**

- 6.3.1 Within the total financial estimate provision approved by the Authority, the Chief Fire Officer & Chief Executive shall be entitled to vary the numbers and composition of staffing in order to meet service requirements provided such variations do not commit the Authority to increased expenditure in future years.
- 6.3.2 The Chief Fire Officer & Chief Executive must adhere to all approved personnel policies and consider all Government guidance which relate to human resources, personnel management and training.
- 6.3.3 The Chief Fire Officer & Chief Executive shall ensure that personnel information is maintained in a form necessary to comply with the Authority's Human Resource Management and related personnel policies and practices and to ensure that any system(s) used to process personnel data or remunerations is properly maintained in accordance with these Financial Regulations.

## **7 ORDERS FOR SUPPLIES, WORKS AND SERVICES**

- 7.1 Official purchase orders in a form agreed with the Assistant Director Resources/Treasurer shall be issued for all supplies, works and services required by the Authority except:
  - i. Purchases made via purchase card and in compliance with the purchase card user policy;
  - ii. Items of a minor nature paid for via petty cash; and
  - iii. VAT only invoices.
- 7.2 Official purchase orders must not be issued for purchases of a private nature for employees.
- 7.3 It is the responsibility of all managers to ensure that the most favourable terms for price, delivery and quality have been obtained having regard to the Authority's Procurement Strategy, Procurement Standing Orders and any other policies or manual notes regarding procurement.
- 7.4 The Assistant Director Resources/Treasurer shall maintain a list of all officers authorised to approve purchase orders and invoices in line with the Financial Limits set out in Section 21 of the Financial Regulations.
- 7.5 In the case of urgency, oral orders may be given provided they are recorded by prompt completion of an official purchase order.

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- 7.6 Orders, which shall be serially numbered, shall indicate clearly the nature and quantity of the supplies, works or services to be supplied and details of agreed or estimated prices, relevant discounts and delivery terms. When the account has been passed for payment the order shall be marked accordingly.
- 7.7 Where orders are to be transmitted electronically, the Assistant Director Resources/Treasurer shall approve the necessary arrangements made to safeguard the interests of the Authority.
- 7.8 Where orders are by purchase cards, the Assistant Director Resources/Treasurer shall approve the necessary arrangements made to safeguard the interests of the Authority.

## **8 CONTRACTS**

- 8.1 All contracts and agreements entered into shall comply with European Commission Directives and United Kingdom Legislation relating to public procurement, conform to the Authority's Procurement Standing Orders, and must be covered by an approved budget. If there is no appropriate standard form, the officer responsible for the contract or agreement shall ensure that a form suitable for the Authority's purpose is used.
- 8.2 Prior to the letting of a contract the relevant Director or Assistant Director shall ensure that an adequate technical and financial appraisal of the tenderers is undertaken in a form approved by the Assistant Director Resources/Treasurer.
- 8.3 A register of formal contracts entered into and a record of payments made thereunder together with details of the final account and certificate of completion shall be kept in a form approved by the Assistant Director Resources/Treasurer for all contracts valued at £5,000 or more.
- 8.4 Where the contract requires that interim and final payments shall be made on certificate, that certificate shall be:
- i. In a form agreed with the Assistant Director Resources/Treasurer.
  - ii. Signed personally by an officer in line with the Financial Limits set out in Financial Regulations
  - iii. Issued in sufficient time to enable payment to be made within the time specified.
- 8.5 Such documents as may be necessary shall be made available to the Assistant Director Resources/Treasurer to enable them or their appointed agents, to audit a contract. If contracts are supervised and managed by persons other than officers of the Authority, the agreement with that person (or persons) shall provide that all

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documents relating to a contract shall be available for inspection by officers of the Authority if required.

- 8.6 Where during the currency of a contract valued at £100,000 or more, it becomes apparent that expenditure against the contract will exceed the contract value by £25,000 or 10%, whichever is the greater, other than as a result of a price fluctuation clause, the relevant Director / Assistant Director shall present a full report to the Policy & Resources Panel, as soon as possible. Where a contract period is likely to be exceeded, so as to significantly affect service provision, the relevant Director / Assistant Director shall present a full report to the Policy & Resources Panel, as soon as possible, giving reasons for the delay and making any recommendations as to claims after consultation with the Monitoring Officer and Assistant Director Resources/Treasurer.
- 8.7 Any variation to a contract for building or civil engineering work will be authorised in writing by an employee, or, where employed, a consultant, in accordance with the approved scheme of authorisation of the Chief Fire Officer & Chief Executive.
- 8.8 When the final certificate of completion of any contract is issued by the appropriate officer, private architect, engineer or consultant a copy shall be produced to the Assistant Director Resources/Treasurer together, if required, with a detailed statement of account and other relevant documents.
- 8.9 Leasing or contract hire arrangements for vehicles, plant or equipment may be undertaken by the Chief Fire Officer & Chief Executive or other officers with delegated authority provided that the Assistant Director Resources/Treasurer is satisfied that the method of finance is appropriate for the asset concerned and that the best terms available have been secured.

## **9 PAYMENT OF ACCOUNTS**

- 9.1 All payments for supplies works and services should be supported by an invoice or proper account. An authorised officer will check these in the directorate concerned before certification. Payments in advance of receipt of goods or services can be made within financial limits detailed in Section 21.

Certification by authorised officers means:

- i. That the expenditure has been properly incurred, that there is relevant budget provision or other authority to spend; and that payment is lawful and in accordance with the Authority's policy and instructions and complies with the Authority's Standing Orders and other regulations.

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- ii. That the supplies, works and services have been received or carried out, examined as to quantity and quality and approved.
  - iii. That appropriate entries have been made in inventories or stores records.
  - iv. That the prices, discounts and other allowances are correct.
  - v. That the account is arithmetically correct in accordance with the procedures issued by the Assistant Director Resources/Treasurer.
  - vi. That the account has not previously been paid.
- 9.2 All payments shall be made under arrangements agreed with the Assistant Director Resources/Treasurer.
- 9.3 The authorised officer shall not be the person who ordered or received the supplies and no officer shall certify an invoice or claim for reimbursement of expenditure to themselves. The officer checking the correctness of an invoice shall not also authorise its payment.
- 9.4 Where payment of accounts by electronic means is proposed, the Assistant Director Resources/Treasurer must approve the system and certification procedures.
- 9.5 Where payment of accounts is by purchase cards, the Assistant Director Resources/Treasurer must approve the system and certification procedures.
- 9.6 Where invoices are paid and retained under a delegated financial management scheme, it shall be the responsibility of the Chief Fire Officer & Chief Executive to ensure that invoices, vouchers and other records are retained and stored in a secure way and are readily available for inspection by authorised persons.
- 10 PAYMENT OF SALARIES, WAGES AND PENSIONS**
- 10.1 The payment of all salaries, wages, pensions, compensation and other emoluments to all employees or former employees shall be made under arrangements approved by the Assistant Director Resources/Treasurer.
- 10.2 Managers shall notify the Assistant Director Resources/Treasurer, or their appointed agents, as soon as they are aware and in such a form as the Assistant Director Resources/Treasurer may require of all matters affecting such payments, in particular:
- i. Appointments, resignations, retirements, suspensions, dismissals, secondments or other transfers.
  - ii. Absences from duty for sickness or other reason, apart from paid leave.
  - iii. Changes in remuneration, including normal increments and pay awards and agreements of general application.



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- iv. Information necessary to maintain records of service for, inter alia, superannuation, income tax, and national insurance.
- 10.3 The Chief Fire Officer & Chief Executive shall ensure that the appointment of all employees is made in accordance with the policies of the Authority, the approved budgets, grades and rates of pay.
- 10.4 The Chief Fire Officer & Chief Executive shall maintain a record of authorised officers, and their signatures, able to certify relevant pay documents and time records on the Chief Fire Officer & Chief Executive's behalf in a form agreed with the Assistant Director Resources/Treasurer. Copies of the complete record shall be deposited with the Assistant Director Resources/Treasurer.

## **11 INCOME**

- 11.1 The arrangements for the collection of and accounting for, all income due to the Authority shall be agreed with the Assistant Director Resources/Treasurer.. An officer authorised to raise an account shall not be permitted to amend or cancel accounts raised by that officer.
- 11.2 The Assistant Director Resources/Treasurer shall be notified promptly of all money due to the Authority including details of contracts, leases or agreements and shall make suitable arrangements for:
  - i. The recording of all sums due to the Authority.
  - ii. The prompt collection, custody and deposit of all cash due.
- 11.3 Any amounts received by officers, or the Authority's appointed agents, shall be banked intact, in accordance with any timescales and arrangements approved by the Assistant Director Resources/Treasurer. Personal cheques may not be cashed out of money held on behalf of the Authority. On handing cash to another person, all officers shall ensure that they receive a suitable written acknowledgement.
- 11.4 Officers, or the appointed agents, banking money must enter on the paying-in-slip the amount of each cheque and sufficient information to identify the transaction and enter on the reverse of each cheque sufficient detail to identify the service area or establishment.
- 11.5 Every sum received by an officer or the appointed agents, of the Authority shall be acknowledged immediately by the issue of an official receipt, ticket or licence - except in the case of amounts received by cheque - or other arrangement approved by the Assistant Director Resources/Treasurer.

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- 11.6 All receipt forms, books, tickets and other such items shall be ordered and issued by the Authority subject to the arrangements for their control being agreed with the Assistant Director Resources/Treasurer.
- 11.7 No payment to the Authority will be accepted in cash if it exceeds £2,000 and if attempted it should be reported under Regulation 4.3 above.
- 11.8 The write-off of debts may be carried out as detailed in Section 21 financial limits. A record of debts written off shall be maintained by the Assistant Director Resources/Treasurer.
- 11.9 The Chief Fire Officer & Chief Executive shall, at least once a year, review all fees and charges for supplies, works or services provided by the Authority. The Assistant Director Resources/Treasurer shall be consulted before any proposal is submitted to the Authority for the introduction, revision or implementation of scales of fees and charges for supplies, works and services.

## **12 BANKING ARRANGEMENTS**

- 12.1 The Authority shall approve all banking contract terms and conditions. All other arrangements with the Authority's bankers shall be agreed by the Assistant Director Resources/Treasurer including:
- i. The authorisation to operate such accounts, including Post Office accounts.
  - ii. Bank accounts for imprest holders and delegated financial management schemes.
  - iii. The provision of credit card / purchase card facilities.
  - iv. The ordering and safe custody of all cheques, including Post Office payment forms.
- 12.2 Cheques drawn on the Authority's main banking accounts, including Post Office accounts, shall bear the facsimile signature of the Assistant Director Resources/Treasurer or be signed by the Assistant Director Resources/Treasurer or officers authorised by the Authority. For the purposes of this Financial Regulation, any officer holding or acting up as holder of the following posts shall be deemed to be authorised (CFA 06/2022: Chief Fire Officer & Chief Executive, Deputy Chief Fire Officer, Assistant Director Resources/Treasurer, Finance Manager, Principal Accountant Treasury & Taxation (East Sussex County Council), Principal Accountant Financial Accounting (East Sussex County Council). Cheques over the value of £500,000 must be signed by two signatories.

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- 12.3 Where payments are to be transmitted electronically, the Assistant Director Resources/Treasurer shall approve the necessary arrangements made to safeguard the interests of the Authority.
- 12.4 All Authority funds shall be banked to the corporate accounts of the Authority or such other accounts in the name of the Authority approved by the Assistant Director Resources/Treasurer. No other account shall be used for transacting or transferring Authority funds.

### **13 TREASURY MANAGEMENT, BORROWING AND INVESTMENTS**

- 13.1 Approval of the capital programme by the Authority shall constitute authority to borrow in respect of projects to be financed from loan provided any appropriate guidance from the Government is followed.
- 13.2 The Assistant Director Resources/Treasurer shall report annually to the Authority and make recommendations on the following:
- i. The overall borrowing limit.
  - ii. The short term borrowing limit.
  - iii. The maximum proportion of borrowing which may be at variable interest rates.
  - iv. Other financial indicators as required by the Prudential Guidance.
- 13.3 The Authority will authorise the Assistant Director Resources/Treasurer to borrow all monies and to arrange the temporary investment of funds within the approved borrowing limit and in accordance with CIPFA's Code of Practice on Treasury Management and the Authority's Treasury Management Strategy. Borrowing or lending or investing of monies not within the Treasurer's delegated powers will not be permitted without the approval of the Authority.
- 13.4 All loans and investments shall be made in the name of the Authority.
- 13.5 All securities, the property of, or in the name of the Authority or its nominees shall be held in safe custody under arrangements approved by the Assistant Director Resources/Treasurer.
- 13.6 The Assistant Director Resources/Treasurer or the Authority's bankers shall be the Authority's registrar of stocks, bonds and mortgages as appropriate. Proper records of all borrowing of money by the Authority shall be maintained as approved by the Assistant Director Resources/Treasurer.

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- 13.7 At or before the start of the financial year the Assistant Director Resources/Treasurer shall report to the Fire Authority on the strategy for treasury management it is proposed to adopt for the coming financial year.
- 13.8 The Assistant Director Resources/Treasurer shall report to the Authority by 30 September of the succeeding financial year on the activities of the treasury management operation, the exercise of delegated treasury management and the treasury management relating to the previous financial year.

### **14 SECURITY OF ASSETS**

- 14.1 The Chief Fire Officer & Chief Executive shall ensure that property security is maintained at all times for all vehicles, buildings, furniture, equipment, stocks, stores, cash, etc. under the Chief Fire Officer & Chief Executive's control. Maximum limits for cash held shall be agreed with the Assistant Director Resources/Treasurer and must not be exceeded.
- 14.2 Inventories shall be kept of all items of moveable furniture, equipment, vehicles and plant. Where appropriate, security marking shall be used, in accordance with the appropriate policies. The Chief Fire Officer & Chief Executive in consultation with the Assistant Director Resources/Treasurer shall prescribe the value and type of items to be included in an inventory. In consultation with the Assistant Director Resources/Treasurer, the Chief Fire Officer & Chief Executive shall maintain an asset register in such form to record sufficient details to meet the requirements of capital accounting practice.
- 14.3 The Chief Fire Officer & Chief Executive is responsible for the receipt, care, safe custody and issue of stocks and stores. The Chief Fire Officer & Chief Executive shall supply the Assistant Director Resources/Treasurer with such information, as the Assistant Director Resources/Treasurer requires in relation to stores for the financial records of the Authority.
- 14.4 The Chief Fire Officer & Chief Executive shall arrange for periodic independent checks and verification of stocks and recorded stores, at least once a year. The write-off of stocks may be carried out as detailed in Section 21 financial limits. The appropriate record of such actions shall be maintained by the Assistant Director Resources/Treasurer.
- 14.5 Stocks shall generally be maintained at minimum levels consistent with operational requirements. A certificate of the value of stocks held as at 31 March each year shall be provided to the Assistant Director Resources/Treasurer.

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- 14.6 Where equipment or materials become unusable or obsolete, the Chief Fire Officer & Chief Executive may arrange for it to be written off in accordance with arrangements agreed with the Assistant Director Resources/Treasurer. Where equipment or materials have a scrap value or resale value, disposal shall be at the best price obtainable following the procedure for disposal, issued by the Chief Fire Officer & Chief Executive in consultation with the Assistant Director Resources/Treasurer. Leased vehicles, plant or equipment may not be disposed of without the prior approval of the Assistant Director Resources/Treasurer. This Financial Regulation shall not operate to prevent the Chief Fire Officer & Chief Executive from exercising the powers delegated to them to approve the donation to appropriate causes of time expired appliances and/or equipment that have no material value.
- 14.7 The Authority's property shall not be removed otherwise than in accordance with the ordinary course of business or used otherwise than for the Authority's purpose except in accordance with the specific instructions by the Chief Fire Officer & Chief Executive.
- 14.8 Keys to safes and similar receptacles must be carried on the person of those responsible at all times. The loss of any such keys must be reported immediately to the Assistant Director Resources/Treasurer.

## **15 ESTATES**

- 15.1 The Chief Fire Officer & Chief Executive shall be responsible for maintaining a register of all properties owned by the Authority, recording the location, extent, plan reference, purchase details, nature of the interest, tenancies granted, rents payable, and purpose for which the property is held.
- 15.2 The Chief Fire Officer & Chief Executive shall have custody of all title deeds under secure arrangements agreed with the Monitoring Officer and shall supply to the Assistant Director Resources/Treasurer and Monitoring Officer all information required by them in accordance with their duties. The Chief Fire Officer & Chief Executive may arrange for the Monitoring Officer to discharge this Regulation.

## **16 INSURANCES**

- 16.1 The Assistant Director Resources/Treasurer shall put in place all necessary insurance cover and negotiate all claims, in consultation with other officers where necessary.
- 16.2 Members of the Senior Leadership Team shall notify the Assistant Director Resources/Treasurer immediately of:
- i. all new risks and liabilities which may require to be insured;

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- ii. any alteration which may affect existing insurance;
- iii. any loss, damage, claim or event which might give rise to a claim by or against the Authority;
- iv. any acquisition or disposal of interests in property which involves an amendment to insurance cover.

- 16.3 All appropriate employees of the Authority shall be included in a suitable fidelity guarantee insurance.
- 16.4 The Chief Fire Officer & Chief Executive shall consult with the Assistant Director Resources/Treasurer and the Monitoring Officer in respect of the terms of any indemnity which the Authority is requested to give.
- 16.5 The Chief Fire Officer & Chief Executive shall ensure that employees, and anyone covered by the Authority's insurances, do not admit to liability or offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.
- 16.6 The Chief Fire Officer & Chief Executive shall co-ordinate and facilitate risk management policies and procedures, and conduct reviews of risk in consultation with the Monitoring Officer and Assistant Director Resources/Treasurer.

## **17 EX-GRATIA PAYMENTS**

- 17.1 Ex-gratia payments may be made as detailed in Section 21 financial limits subject to the Authority being satisfied that there are sufficient powers to make the payment in any particular case. The Assistant Director Resources/Treasurer shall maintain a complete record of ex-gratia payments made.

## **18 TRAVELLING, SUBSISTENCE, FINANCIAL LOSS AND ATTENDANCE ALLOWANCE**

- 18.1 All claims by employees for payment of car allowances shall be submitted to the Assistant Director Resources/Treasurer in a form (manual or electronic) and at such intervals as approved by them. Payment of car allowances, and other travelling and subsistence allowances, will be made upon receipt of the appropriate form, duly certified by an authorised officer and to be paid in accordance with arrangements set out in Section 9 (Payment of Accounts) or Section 10 (Payment of Salaries, Wages and Pensions).



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- 18.2 Payment to Members and co-optees of the Authority who are entitled to claim any allowance under the Authority's Member Allowance Scheme shall be made by the Chief Fire Officer & Chief Executive in accordance with the provisions of the Scheme.
- 18.3 Certification of a claim shall be taken to mean that the journeys were authorised and the expenses properly and necessarily incurred and that the allowances are properly payable by the Authority in accordance with the Member Allowance Scheme or any other policy relating to travel and expenses that the Assistant Director Resources/Treasurer shall issue.

## **19 VOLUNTARY FUNDS**

- 19.1 The Chief Fire Officer & Chief Executive is responsible for ensuring that all voluntary funds held, where money and/or assets are handled by an employee in the course of their employment or office, which have not been issued by the Authority, are properly administered and that they are audited under arrangements agreed with the Assistant Director Resources/Treasurer. Where cash is held in a bank account or building society account or such similar arrangements a record must be maintained accordingly by the Assistant Director Resources/Treasurer.

## **20 VALUE ADDED TAX (VAT) AND INCOME TAX**

- 20.1 The Chief Fire Officer & Chief Executive and members of the Senior Leadership Team are responsible for ensuring the correct financial management of VAT and Income Tax, in respect of both income and expenditure, following guidance issued by the Assistant Director Resources/Treasurer. The Chief Fire Officer & Chief Executive and members of the Senior Leadership Team should seek financial advice from the Assistant Director Resources/Treasurer on any VAT or Income Tax issues particularly where new initiatives for the delivery of services are being considered by the Authority.
- 20.2 The Assistant Director Resources/Treasurer is responsible for the Authority's VAT returns and Income Tax to HM Revenue and Customs. All communication with HM Revenue and Customs for the Authority shall be co-ordinated through the Assistant Director Resources/Treasurer or a delegated officer.

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**21 FINANCIAL LIMITS**

21.1 Ex-gratia payments may be made following approval as detailed in Table 1 below:

<b>Table 1 - Approval levels for Ex-gratia Payments</b>	
Up to £5,000	Over £5,000
Principal Officer after consultation with the AD Resources/Treasurer and the Monitoring Officer	Fire Authority

21.2 Debt write-off may be actioned following approval as detailed in Table 2 below:

<b>Table 2 - Approval Levels for Debt Write off</b>	
Up to £5,000	Over £5,000
Principal Officer after consultation with the AD Resources/Treasurer and the Monitoring Officer	Fire Authority

21.3 Stock write-off may be actioned following approval as detailed in Table 3 below:

<b>Table 3 - Approval Levels for Stock Write off</b>	
Up to £5,000	Over £5,000
Principal Officer after consultation with the AD Resources/Treasurer and the Monitoring Officer	Fire Authority

21.4 Payments in advance of goods or services being received can be made as follows: Assistant Director up to £1,000, Finance Manager up to £10,000 and with the agreement of the Assistant Director Resources/Treasurer for £10,000 and over.

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- 21.5 Purchase Orders, invoices and contracts may be approved as detailed in Table 4 below:

<b>Table 4 - Approval Levels for Purchase Orders, Invoices and Contracts</b>				
Level 1	Level 2	Level 3	Level 4	Level 5
up to £5,000	£5,001 - £20,000	£20,001 - £50,000	£50,001 to £250,000	Over £250,000
Station Managers  Support Staff equivalent  Other staff as determined by the AD Resources/Treasurer	Station Managers  Support Staff equivalent  Other staff as determined by the AD Resources/Treasurer	Group Managers  Head of Service and other Support Staff equivalent	Assistant Directors	Principal Officers  AD Resources /Treasurer

The Assistant Director Resources/Treasurer has discretion over the assignment of authority within Levels 1 and 2 to ensure that approvals reflect different structural models and budget management arrangements. This may mean that not all Station Managers and Support Staff equivalents are granted approval at each level and/or for every budget. In some circumstances staff at lower grades may be granted delegated authority where the Assistant Director Resources/Treasurer is satisfied that suitable controls are in place.

- 21.6 All staffing budget transfers (virements), whether permanent (year on year changes) or non-permanent (in year changes only), require SLT approval. Budget transfers that result in a policy change or restructure require the approval of Authority either in advance or retrospectively as detailed in Table 5 below.

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<b>Table 5 - Approval Levels for Budget Transfers (Virements) – Staffing and Policy Change / Restructures</b>		
Staffing	Policy Change / Restructures	Policy Change / Restructures
All	£250,000 to £500,000	Over £500,000
SLT	Reported to Policy & Resources Panel <b>retrospectively</b>	Requires Policy & Resources Panel approval <b>in advance</b>

21.7 Budget transfers (virements) for non-staffing budget headings either on a permanent (year on year changes) or non-permanent (in year changes only) basis may be approved as detailed in Table 6 below.

The approval requirements are designed to ensure relevant officers are engaged based on whether the budget transfers are:

1. Within a functional area;
2. Between functional areas but **within** Assistant Director remit; or
3. Between functional areas **and** Assistant Director remits.

<b>Table 6 - Approvals Levels for Budget Transfers (Virements) – Non Staffing</b>				
		Non staff	Non staff	Non staff
		Permanent and Non-permanent	Permanent and Non-permanent	Permanent and Non-permanent
		Up to £25,000	£25,001 to £100,000	Over £100,000
Within a Functional Area		Finance Business Partner & Budget Manager	Finance Manager & Budget Manager	SLT
Between Functional Areas but <b>within</b> Assistant Director Remit		AD & Finance Manager	AD & AD Resources/ Treasurer	SLT

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Between Functional Areas <b>and</b> Assistant Director Remits	Both ADs	Both ADs and AD Resources/ Treasurer	SLT
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- 21.8 The approval and reporting requirements for in year contract variations are as detailed in Table 7 below:

<b>Table 7 - Contract Variations</b>	
Cumulative Variance	Action
Less than £10,000 or 5%, whichever is the greater	Service Manager to provide retrospective notification to Assistant Director Resources/Treasurer and relevant Assistant Director  Where costs cannot be contained within budget prior approval of Senior Leadership Team is required.
Between £10,000 and £25,000 or 5% and 10%, whichever is the greater	Report to Assistant Director Resources/Treasurer and relevant Assistant Director to seek approval, before any cost increases are incurred.  Where costs cannot be contained within budget prior approval of Senior Leadership Team is required.
Between £25,000 and £50,000 or 10% and 15%, whichever is the greater	Report to Senior Leadership Team to seek approval before any cost increases are incurred.
Over £50,000 or 15%, whichever is the greater	Approval required from the Policy & Resources Panel <b>before</b> any cost increases are incurred, other than in exceptional circumstances when the delay incurred would, in the opinion of the Chief Fire Officer & Assistant Director Resources/Treasurer, be impractical in which case this must be reported retrospectively.