

PART 5d
FINANCIAL PROCEDURES

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A. Financial Management

FINANCIAL MANAGEMENT STANDARDS

Why is this important?

A.1 *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.*

Key controls

A.2 *The key controls and control objectives for financial management standards are:*

- a) *A responsible financial officer has been appointed by the Authority*
- b) *Financial management standards are promoted throughout the Authority*
- c) *A monitoring system to review compliance with financial management standards*

Responsibilities of the Treasurer

A.3 To ensure the proper administration of the financial affairs of the Authority in accordance with Section 73 of the Local Government Act 1985 and statutory responsibilities set out in the Local Government Finance Act 1988, the Local Government Act 2003 and the Accounts and Audit Regulations.

A.4 To act as the Authority's professional advisor on financial matters, including the budget, financial planning, strategy and policy making.

A.5 To ensure that all reports to the Authority have full and clear financial implications identified.

A.6 To set the financial management standards and to monitor compliance with them.

A.7 To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance staff throughout the authority.

A.8 To advise on the key strategic controls necessary to secure sound financial management.

A.9 To ensure systems are in place to provide financial information that is accurate and timely.

Responsibility of the Director of Support Services

A.10 To promote the financial management standards set by the Treasurer and to monitor adherence to the standards and practices.

- A.11 To ensure compliance with the money laundering regulations.
- A.12 To promote sound financial practices in relation to the standards, performance and development of staff throughout the Service.
- A.13 To notify all breaches of financial regulations and/or standing orders to the Treasurer through Internal Audit.

Responsibility of Senior Officers of the Service and Barnsley MBC

- A.14 To report all breaches of Financial Regulations and/or Standing Orders to the Director of Support Services

MANAGING EXPENDITURE

SCHEME OF VIREMENT

Why is this important?

A.15 *The scheme of virement is intended to enable Senior Officers of the Service and Barnsley MBC to manage budgets with a degree of flexibility within the overall policy framework determined by the Authority, and therefore to optimise the use of resources.*

Key controls

A.16 *The key controls for the scheme of virement are:*

- a) *It is administered within guidelines set by the Authority. Any variation from this scheme requires the approval of the Authority.*
- b) *The overall budget is agreed by the Authority. All budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement; that is, switching resources between approved estimates or heads of expenditure. For the purposes of this scheme, a budget head is considered to be a line in the estimates as approved by the Authority.*
- c) *Virement does not create additional overall budget liability. All budget managers are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they must avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Senior officers from the Service and Barnsley MBC must plan to fund such commitments from within their own budgets.*

Responsibilities of the Treasurer

- A.17 To ensure that arrangements are in place to monitor and report on the Authority's scheme of virement.
- A.18 To prepare and submit a report to the Authority, in conjunction with the Chief Fire Officer and Chief Executive, setting out the action that is to be taken if it is not possible to contain unavoidable overspendings within the total budget allocation.
- A.19 To specifically approve virements as required by the Scheme of Virement set out in section A.26 and the Schedule of Limits attached to the Financial Regulations.

Responsibilities of the Director of Support Services

- A.20 To issue instructions and guidelines to all budget managers in order that the scheme of virement can operate within the policies set by the Authority and to issue documentation, for completion by budget managers for the satisfactory management control of the virement process.
- A.21 To ensure that budget managers operate within the scheme instructions and guidelines

in undertaking virement.

- A.22 To notify all individual virements in excess of £50,000 to the Treasurer and to ensure that they are subsequently reported to the Authority as part of budget monitoring reports.
- A.23 To ensure the financial system and associated monitoring reports are amended to reflect approved virement.
- A.24 To ensure that the Treasurer is notified if it is not possible to contain any unavoidable overspendings within the total budget allocation utilising the scheme of virement.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- A.25 In accordance with the Virement Scheme, virement can be exercised within the limits shown below subject to the provision of paragraphs (a) to (e)

Up to £50,000	Senior Officers of the Service and Barnsley MBC
£50,000 to £100,000	Treasurer in conjunction with Director of Support Services
>£100,000	Authority

- a) Any virement which involves changing existing policies, implementing new policies or materially extending or reducing services requires the prior approval of the Authority
- b) Any virement which also generates a commitment in any single future year should be dealt with in accordance with the following:
- virements with a single future year commitment of less than £50,000 can be approved in accordance with the above limits provided that matching future resources have been identified.
 - virements with a future year commitment of between £50,000 and £100,000 for which matching future resources have been identified require the specific approval of the Treasurer.
 - virements with a future year commitment of greater than £100,000 require the prior approval of the Authority regardless of whether any matching future resources have been identified.
- c) Any virement that is likely to impact on another functional area must only be implemented after agreement with the relevant Director.
- d) No virement is made from sums allocated by the Authority to fund specific spending proposals, for example developments, without the prior approval of the Authority.
- e) No virements are to take place after the year end.

A.26 Where an approved budget is intended for allocation to budget managers during the year, its allocation will not be treated as a virement, provided that the amount is used in accordance with the purposes for which it is has been established, such budgets to be held against recharge codes.

TREATMENT OF YEAR END BALANCES

Why is this important?

A.27 *The rules below cover arrangements for the transfer of resources between accounting years, i.e. a carry forward.*

Key Controls

A.28 *Appropriate accounting procedures are in operation to ensure that carry forward totals are correct and appropriately authorised.*

Responsibilities of the Treasurer

A.29 To approve carry forward requests of up to £100,000 per item of expenditure providing it is to be used for the same purpose. Any such carry forward will be included in a specific carry forward earmarked reserve and included in the Statement of Accounts.

A.30 To seek Authority approval in respect of carry forwards in excess of this figure or where it is not proposed to utilise the funds for the same purpose.

A.31 To report all overspending and underspending on estimates carried forward to the Authority.

Responsibilities of the Director of Support Services

A.32 To co-ordinate all requests for carry forward and to ensure that all amounts requested are correct.

Responsibilities of Senior Officers of the Service and Barnsley MBC

A.33 To submit appropriate requests for carry forward in accordance with the guidance and timescales provided by the Director of Support Services.

ACCOUNTING POLICIES

Why is this important?

A.34 *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 Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC), for each financial year ending 31 March.*

Key controls

A.35 *The key controls for accounting policies are:*

- a) *Systems of internal control are in place to ensure that financial transactions are lawful*
- b) *Suitable accounting policies are selected and applied consistently*
- c) *Proper accounting records are maintained*
- d) *Financial statements are prepared and signed which present a 'true and fair view of the financial position of the authority and its expenditure and income.*

Responsibilities of the Treasurer

A.36 To select suitable accounting policies and to ensure that they are applied consistently. The accounting policies are set out in the Statement of Accounts, which is prepared at 31 March each year, and cover such items as:

- a) capital and revenue transactions
- b) the basis on which debtors and creditors at year end are included in the accounts
- c) provisions and reserves
- d) fixed assets, depreciation and charges to revenue
- e) retirement benefits
- f) stocks and stores
- g) financial instruments
- h) accounting for value added tax
- i) government grants
- j) leasing

Responsibilities of the Director of Support Services

A.37 To ensure that the accounting policies and guidelines approved by the Treasurer are adhered to by all staff.

ACCOUNTING RECORDS AND RETURNS

Why is this important?

A.38 *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.*

Key controls

A.39 *The key controls for accounting records and returns are*

- a) *All members, finance staff and budget managers operate within the required accounting standards and timetables*
- b) *All the Authority's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis*
- c) *procedures are in place to enable accounting records to be reconstituted in the event of systems failure*
- d) *reconciliation procedures are carried out to ensure transactions are correctly recorded*
- e) *prime documents are retained in accordance with legislative and other requirements*

Responsibilities of the Treasurer

A.40 To determine the accounting procedures and records for the Authority.

A.41 To arrange for the compilation of all accounts and accounting records under his or her direction.

A.42 To arrange for the completion of all statistical and government returns.

A.43 To satisfy himself/herself with regard to the proper retention of financial documents in accordance with legislative and operational requirements.

A.44 To satisfy himself/herself that officers comply with, so far as considered practical, the following principles when allocating accounting duties:

- a) separating the duties of providing information about sums due to or from the authority and calculating, checking and recording these sums from the duty of collecting or disbursing them
- b) employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

- A.45 To make proper arrangements for the audit of the Authority's accounts in accordance with the Accounts and Audit Regulations as amended from time to time.
- A.46 To prepare and publish the audited accounts of the authority for each financial year, in accordance with the statutory timetable and with the requirement for the Audit and Governance Committee to approve the statement of accounts before the statutory deadline.

Responsibility of the Director of Support Services

- A.47 To consult and obtain the approval of the Treasurer before making any changes to accounting records and procedures.
- A.48 To comply with, so far as considered practical, the following principles when allocating accounting duties:
 - a) Separating the duties of providing information about sums due to or from the authority and calculating, checking and recording these sums from the duty of collecting or disbursing them
 - b) Employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions
- A.49 To maintain adequate records to provide a management trail leading from the source of income/expenditure through to the accounting statements and vice versa.
- A.50 To ensure that all claims for funds including grants are made by the due date and are appropriately certified by the Treasurer if appropriate.
- A.51 To ensure that information is supplied on a timely basis to the Treasurer to enable the completion of statistical and government returns and to enable appropriate certification by the Treasurer if required.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- A.52 To provide the Director of Support Services with appropriate information to enable claims for funds to be made by the due date.

THE ANNUAL STATEMENT OF ACCOUNTS

Why is this important?

A.53 *The Authority has a statutory responsibility to prepare its own accounts to present a 'true and fair view' of its operations during the year. The Audit and Governance Committee is responsible for approving the statutory annual statement of accounts.*

Key controls

A.54 *The key controls for the annual statement of accounts are:*

- a) *The Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its staff has the responsibility for the administration of these affairs.*
 - b) *The Authority's Statement of Accounts must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom: (The Code)(CIPFA/LASAAC).*
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Responsibilities of the Treasurer

A.55 To select suitable accounting policies and to apply them consistently.

A.56 To make judgments and estimates that are reasonable and prudent.

A.57 To comply with the Statement of Recommended Practice, financial reporting standards and Accounts and Audit Regulations.

A.58 To prepare the Statement of Accounts and sign and date them as presenting fairly the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March.

A.59 To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.

A.60 To liaise with external auditors during the audit of the financial accounts.

Responsibilities of the Director of Support Services

A.61 To ensure compliance of officers with the accounting guidance provided by the Treasurer and to supply information for the preparation and audit of the Accounts in accordance with requirements and deadlines.

B. Financial Planning

PREPARATION OF BUDGETS AND MEDIUM TERM PLANS

Why is this important?

- B.1 The Authority is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the Authority's plans and policies.*
- B.2 The revenue budget must be constructed so as to ensure that resource allocation properly reflects the service plans and priorities of the Authority. Budgets (spending plans) are needed so that the Authority can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for an authority to budget for a deficit.*
- B.3 A mismatch often exists between available resources and required resources. A common scenario is that available resources are not adequate to fulfil need/desire. It is therefore imperative that needs/desires are carefully prioritised and that resources are fairly allocated, in order to fulfil all legal responsibilities. Resources may include staff, money, equipment, goods and materials.*
- B.4 Medium-term planning (or a three- to five-year planning system) involves a planning cycle in which managers develop their own plans. As each year passes, another future year will be added to the medium-term plan. This ensures that the Authority is always preparing for events in advance.*

Key controls

- B.5 The key controls for budgets and medium-term planning are:*
- a) Specific budget approval for all expenditure.*
 - b) Budget managers are consulted in the preparation of the budgets and medium term plans for which they will be held responsible and accept accountability within delegations set by the Authority for their budgets and medium term plans and the level of service to be delivered.*
 - c) Resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for.*
 - d) Resources are used with the minimum level of waste, inefficiency or loss for other reasons.*
 - e) A monitoring process is in place to review regularly the effectiveness and operation of budget preparation and to ensure that any corrective action is taken.*

Responsibilities of the Treasurer

- B.6 To prepare and submit reports on budget prospects for the Authority including resource constraints set by the Government. Reports should also take account of medium-term*

prospects and implications.

- B.7 To approve the detailed form of revenue estimates and medium term financial plans and the methods for their preparation.
- B.8 To prepare and submit reports to the Authority on the aggregate spending plans of the Service and on the resources available to fund them, identifying, where appropriate, the implications for the level of council tax to be levied.
- B.9 To advise on the medium-term financial strategy designed to deliver the Authority's strategic priorities, including its affordability and sustainability.
- B.10 To ensure that a balanced revenue budget is set based on realistic projections of pay, inflation and known commitments and development plans.
- B.11 To encourage the best use of resources and value for money by working with the Chief Fire Officer and Chief Executive 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.
- B.12 To advise the Authority in accordance with his or her responsibilities under Section 73 of the Local Government Act 1985, Part VIII of the Local Government Act 1998, the Local Government Act 2003 and the Accounts and Audit Regulations.

Responsibilities of the Director of Support Services

- B.13 To provide guidance each year, which sets out the powers and responsibilities of budget managers and frameworks to deliver robust financial monitoring and budgetary preparation and an appropriate timetable for the same.
- B.14 To prepare and submit to the Corporate Management Board budgets and medium plans that are consistent with any relevant cash limits, with the Authority's annual budget cycle and with guidelines issued by the Authority in accordance with the format prescribed by the Treasurer and the Authority's general directions.
- B.15 To ensure that budget estimates are set on key assumptions and reflect actual requirements for resources.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- B.16 To integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.
- B.17 To submit to the Director of Support Services detailed draft estimates in accordance with the laid-down guidance and timetable.
- B.18 When drawing up draft budget requirements, to have regard to:
 - a) Spending patterns and pressures revealed through the budget monitoring process
 - b) Legal requirements
 - c) Policy requirements as defined by the Authority in the approved policy framework

- d) Initiatives already under way
 - e) Opportunities for sustainable and 'one off' efficiency savings
 - f) Value for money
 - g) Resource constraints as advised by the Treasurer
- B.19 To identify and assess any matter which will impact on the medium term financial plan and to notify the Director of Support Services of the same.
- B.20 To work within budget limits and to utilise resources allocated, and further allocate resources, in the most efficient, effective and economic way thereby ensuring the achievement of value for money.
- B.21 To contribute to the achievement of sustainable and 'ad hoc' efficiency savings, by identifying opportunities to minimise or eliminate resource requirements or consumption, without having a detrimental effect on service delivery.
- B.22 To seek external funding such as grants where to do so would further the achievement of the Authority's objectives.

FORMAT OF THE BUDGET

Why is this important?

B.23 The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate, the operation of cash limits and sets the level at which funds may be reallocated within budgets.

Key controls

B.24 The key controls for the budget format are:

- a) The format complies with all legal requirements*
 - b) The format complies with CIPFA's Best Value Accounting Code of Practice*
 - c) The format reflects the accountabilities of service delivery*
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Responsibilities of the Treasurer

B.25 To advise the Authority on the format of the budget that is approved.

Responsibilities of the Director of Support Services

B.26 To comply with accounting guidance provided by the Treasurer.

BUDGET MANAGEMENT

Why is this important?

- B.27 *Budget management ensures that once the budget has been approved by the Authority, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Authority to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.*
- B.28 *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 budget manager is required to manage his/her own expenditure within the cash-limited budget allocated to it unless funds are diverted under the approved virement scheme.*

Key control

- B.29 *The key controls for managing and controlling the revenue budget are:*
- a) *Budgets are managed by the manager best able to use and control it*
 - b) *There is a nominated budget manager for each budget and a hierarchy of budgetary control*
 - c) *Budget managers at all levels accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities*
 - d) *Budget managers follow an approved certification process for all expenditure*
 - e) *Income and expenditure are properly recorded and accounted for*
 - f) *Performance levels/levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget*
 - g) *The Treasurer has a duty to report to the Authority and/or the external auditor if it appears that the Authority's expenditure is likely to exceed the resources available to meet that expenditure*
 - h) *The Authority is required to review its spending against budget from time to time and take appropriate action if there has been a material change in its financial position.*

Responsibilities of the Treasurer

- B.30 To satisfy himself/herself that an appropriate framework of budgetary management and control is established whereby:
- a) Budget management is exercised within annual cash limits unless the Authority agrees otherwise

- b) Timely information is made available on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfill their budgetary responsibilities
 - c) Expenditure is committed only against an approved budget head
 - d) All staff responsible for committing expenditure comply with relevant guidance, Financial Regulations and Contract Standing Orders.
 - e) To ensure each budget has a single named manager, determined by the relevant Director.
 - f) Significant variances from approved budgets are investigated and reported by budget managers regularly.
 - g) The Authority's scheme of virement is being properly administered.
 - h) Robust systems are in place for the identification and delivery of sustainable and 'ad hoc' efficiency savings.
- B.31 To submit reports to the Authority, in conjunction with the Chief Fire Officer and Chief Executive, on projected income and expenditure compared with the budget on a regular basis.
- B.32 To submit reports to the Authority, in conjunction with the Chief Fire Officer and Chief Executive, in respect of the achievement of expected outcomes from allocated resources.
- B.33 To submit reports to the Authority, in conjunction with the Chief Fire Officer and Chief Executive in respect of the identification and delivery of efficiency savings.
- B.34 To prepare a report to the Authority, in conjunction with the Chief Fire Officer and Chief Executive, if it is not possible to contain any unavoidable overspendings within the total budget allocation, setting out what action is to be taken.
- B.35 To report to the Authority on the outturn of income and expenditure as soon as practicable after the 31 March.
- B.36 To specifically approve new spending proposals as required by the Schedule of Limits attached to the Financial Regulations.

Responsibilities of the Director of Support Services

- B.37 To ensure timely information is made available on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfill their budgetary responsibilities.
- B.38 To administer the Authority's scheme of virement as set out elsewhere in these procedures.
- B.39 To prepare and submit reports to the Corporate Management Board on the Authority's projected income and expenditure compared with the budget on a regular basis.
- B.40 To ensure that an accountable budget manager is identified for each item of income

and expenditure and that an appropriate hierarchy of budget managers is established to control all the Authority's budgets. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.

- B.41 To ensure compliance with the scheme of virement as set out elsewhere in these procedures.
- B.42 To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and that it is operating effectively.
- B.43 To submit reports to the Corporate Management Board and Executive where it is not possible to balance expenditure and resources within existing approved budgets and to ensure that the Treasurer is notified of the same.
- B.44 To submit reports to the Corporate Management Board and Executive on the identification and achievement of efficiency savings.

Responsibilities of Senior Managers of the Service and Barnsley MBC

- B.45 To ensure that budget management is exercised within annual cash limits unless the Authority agrees otherwise and that budget managers only commit expenditure against approved budget heads and ensure that individual budget heads are not overspent. Appropriate corrective action must be taken where significant overspendings against individual budget heads are forecast.
- B.46 To ensure that value for money is routinely considered when making proposals.
- B.47 To maintain budgetary control considering other principles set out in this document and to ensure that all income and expenditure is properly recorded and accounted for.
- B.48 To agree with the relevant Director where it appears that a budget proposal, including a virement proposal, may impact materially on another service area.
- B.49 To ensure that where the Authority has provided funding in respect of a new development that the funding is spent to deliver the stated objective or to ensure prior approval of the Authority to divert such funding elsewhere.
- B.50 To seek Executive Team approval to detailed plans and expected outcomes of any approved development in excess of £50,000 prior to implementation (excluding developments relating to new posts) and to subsequently report on the implementation and the achievement of planned outcomes to the Authority.
- B.51 To identify and take action to deliver sustainable and 'ad hoc' efficiency savings and to provide the Director of Support Services with information relating to the same.
- B.52 To ensure that prior approval by the Authority is obtained for any new proposal, of whatever amount, that:
 - a) Changes or ceases existing policies or initiates new policies.
 - b) Materially extends or reduces the Authority's services.
- B.53 To ensure that prior approval by the Authority is obtained for any new spending proposal that, whilst in accordance with current policies and service provision, creates

a financial commitment in any single future year except where:

- a) The commitment for any individual spending proposal is less than £100,000 in any single future year and matching future resources have been identified. Those exceeding £50,000 require the prior approval of the Treasurer.

B.54 New proposals exceeding £50,000 should be supported by a business case explaining the full financial implications for the current and subsequent two financial years following consultation with the Treasurer. Unless the Authority has agreed otherwise financial implications of all such proposals must be contained within the overall cash limit.

CAPITAL PROGRAMME

Why is this important?

- B.55 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the authority, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.*
- B.56 The Government expects the Authority to control its capital expenditure to a level that is affordable, sustainable and prudent. The Authority must comply with the CIPFA Prudential Code of Practice and must set and monitor against an affordable borrowing limit and other prudential indicators to demonstrate compliance. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.*

Key controls

- B.57 The key controls for capital programmes are:*
- a) Specific approval by the Authority for the programme of capital expenditure.*
 - b) Expenditure on capital schemes is subject to the approval of the Treasurer or the Authority.*
 - c) A capital scheme appraisal including objective to be achieved, links to Authority plans etc, associated risks and revenue expenditure is prepared for each capital project prior to inclusion in the programme.*
 - d) Approval by the Treasurer where capital schemes are to be financed from the revenue budget, up to a specified amount, and subject to the approval of the Authority, where the expenditure exceeds this amount.*
 - e) Schedules for individual schemes within the overall budget approved by the Authority must be submitted to the Corporate Management Board for approval (for example, minor works), or under other arrangements approved by the Authority.*
 - f) The development and implementation of asset management plans.*
 - g) Accountability for each proposal is accepted by a named manager.*
 - h) Monitoring of progress in conjunction with expenditure and comparison with approved budget.*
 - i) The approval and monitoring by the Authority of an Affordable Borrowing Limit together with other prudential indicators.*

Responsibilities of the Treasurer

- B.58 To define “capital” expenditure having regard to government regulations and accounting requirements.*

- B.59 To prepare draft capital estimates jointly with the Chief Fire Officer and Chief Executive and to report them to the Authority for approval. The Treasurer will make recommendations on the capital estimates and on any associated financing requirements to the Authority.
- B.60 To issue guidance concerning capital controls.
- B.61 To advise on the format of option appraisals.
- B.62 To approve capital estimates for schemes included in the Approved Capital Programme where the scheme value is not expected to exceed £250,000.
- B.63 To assess the affordability of the proposed capital programme and prepare appropriate reports to the Authority to enable the determination of an Affordable Borrowing Limit and the setting of prudential indicators in accordance with the Prudential Code for Capital Finance in Local Authorities.
- B.64 To ensure that there are adequate capital appraisal and prioritisation processes in place.
- B.65 To submit, in conjunction with the Chief Fire Officer and Chief Executive, regular reports to the Authority reviewing the capital programme provisions including details of estimated final costs of schemes in the approved capital programme and the comments of relevant project managers, details of capital estimates which have been approved and details of any schemes which have been brought forward, varied, deleted or rephased in accordance with section B66 – B82 below.

Responsibilities of the Director of Support Services

- B.66 To prepare and submit to the Corporate Management Board and Executive a draft Capital Programme in accordance with the format laid down by the Treasurer based on prioritised bids.
- B.67 To prepare and submit regular reports to the Corporate Management Board and Executive reviewing the capital programme provisions including details of estimated final costs of schemes in the approved capital programme and the comments of relevant project managers and details of capital estimates which the Treasurer has approved.
- B.68 To ensure that revenue implications of capital spending is included in budgets and medium term plans.
- B.69 To ensure that appropriate financial information is provided to enable capital budgets to be monitored effectively and in accordance with the approved programme.
- B.70 To agree the virement of capital funds of £20,000 or under within the capital programme.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- B.71 To comply with guidance concerning capital expenditure and controls.
- B.72 To ensure that all capital proposals have undergone a project appraisal.
- B.73 To ensure that adequate records are maintained for all capital contracts.

- B.74 To ensure that capital projects do not proceed without unless a Capital Estimate has been approved such approval being obtained as follows:-

Schemes Up to £250,000

By the Treasurer via the Director of Support Services - such requests to be in a format determined by the Treasurer.

Over £250,000

By the Authority – such requests to be in the form of formal reports.

- B.75 To ensure that the full revenue implications of all capital schemes are assessed and included in any relevant reports to the Corporate Management Board, the Treasurer and the Authority.
- B.76 To ensure that individual contracts are not overspent, by monitoring the contract and taking appropriate corrective action, where significant variations from the approved contract are forecast. Where corrective action cannot be taken the relevant Director should prepare and submit a report to the Authority explaining the circumstances.
- B.77 To provide the Director of Support Services with a monthly return of estimated projected spending for each year in the Capital Programme.
- B.78 The period covered by the Capital Programme consists of the current year and three future years when originally approved. Subject to the written approval of the Treasurer, Directors may bring forward schemes into the current financial year from following years or rephase expenditure between years, provided that neither the current financial year's total sum nor the overall total Capital Programme sum is exceeded.
- B.79 Directors must obtain authorisation from the Treasurer of any proposed variation to a scheme where the resultant estimated expenditure will exceed the capital programme for that scheme, provided that the additional estimated expenditure can be accommodated within the overall Capital Programme sum. The Treasurer may also approve the deletion of schemes included within the Capital Programme to accommodate such additional costs.
- B.80 Subject to the approval of the Treasurer schemes may be added to the Capital Programme where these are to be funded directly from revenue or capital grant.
- B.81 Where the resultant estimated expenditure of any proposed variation to a scheme exceeds the capital programme provision for that scheme and cannot be contained within the overall Capital Programme, then the relevant Director must prepare a report in consultation with the Treasurer for consideration by the Authority as appropriate.
- B.82 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.

MAINTENANCE OF RESERVES

Why is this important?

B.83 The local authority must decide the level of general reserves it wishes to maintain before it can decide the level of council tax. Reserves are maintained as a matter of prudence. They enable the authority to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained, such as the purchase or renewal of capital items.

Key controls

B.84 The key controls for maintenance of reserves are:

- a) To maintain reserves in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) and agreed accounting policies.*
 - b) For each reserve established, the purpose, usage and basis of transactions should be clearly identified.*
 - c) Authorisation and expenditure from reserves by the Treasurer.*
 - d) The Treasurer's report to the Authority on the adequacy of reserves.*
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Responsibilities of the Treasurer

B.85 To advise the Authority on the adequacy of its reserves and advise on prudent levels of reserves taking into account any advice of the external auditor in this matter.

Responsibilities of Senior Officers of the Service and Barnsley MBC

B.86 To ensure that resources are used only for the purposes for which they were intended.

C. Risk Management, Internal Control and Audit

RISK MANAGEMENT

Why is this important?

- C.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 the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and organisational well-being of the organisation. In essence it is, therefore, an integral part of good business practice. 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. Risk management is central to coping with changes and initiatives, and given the level and pace of change of local government, it is essential that an effective risk management system is implemented. Good risk management supports the achievement of objectives and has a vital role to play in the running of the organisation.*
- C.2 *It is the overall responsibility of the Authority to approve the risk management strategy, and to promote a culture of risk management awareness throughout the Authority.*

Key controls

- C.3 *The key controls for risk management are:*
- a) *Procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the Authority and involve all those associated with planning and delivering services.*
 - b) *A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis.*
 - c) *Managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives.*
 - d) *Provision is made for losses that might result from the risks that remain.*
 - e) *Procedures are in place to investigate claims within required timescales.*
 - f) *Acceptable levels of risk are determined and insured against where appropriate.*
 - g) *The Authority has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.*

Responsibilities of the Treasurer

- C.4 To advise the Authority in conjunction with the Chief Fire Officer and Chief Executive on corporate risks facing the Authority.
- C.5 To develop risk management strategies and appropriate risk management controls in conjunction with the Chief Fire Officer and Chief Executive.
- C.6 To advise the Authority on appropriate insurance arrangements and to effect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with other officers, where necessary.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- C.7 To prepare the Risk Management Policy and Strategy in conjunction with the Treasurer and to promote its effective implementation across the Authority.
- C.8 To prepare and maintain appropriate risk registers which identify each risk, how likely it is to occur and the impact on service delivery and objectives.
- C.9 To monitor and review identified risks and report on them to the Audit and Governance Committee via the Corporate Management Board and the Executive to ensure that there are regular and ongoing reviews of risk within their service areas.
- C.10 To ensure that sound arrangements for the security and continuity of service in the event of disaster are in place.
- C.11 To develop risk management controls.
- C.12 To monitor and review the effectiveness of the Risk Management Strategy.
- C.13 To ensure managers undertaking risk management activities receive appropriate training and support.
- C.14 To include risk management responsibilities in relevant job descriptions.
- C.15 To include risk management responsibilities in the annual appraisal and development process.
- C.16 To ensure that risk management is embedded in the Authority's decision making process and that the Authority receives regular reports on key risks.
- C.17 To consult the Treasurer on the terms of any indemnity that the Authority is requested to give.
- C.18 To notify the Treasurer promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances.
- C.19 To notify the Treasurer immediately of any loss, liability or damage that may lead to a claim against the Authority, together with any information or explanation required by the Treasurer or the Authority's insurers.

C.20 To ensure that employees, or anyone covered by the Authority's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

INTERNAL CONTROLS

Why is this important?

- C.21 *The Authority is complex and beyond the direct control of individuals. It therefore requires internal controls to manage and monitor progress towards strategic objectives.*
- C.22 *The Authority has statutory obligations, and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.*
- C.23 *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.*
- C.24 *The system of internal controls is established in order to provide measurable achievement of:*
- a) *Efficient and effective operations*
 - b) *Reliable financial information and reporting*
 - c) *Compliance with laws and regulations*
 - d) *Risk management.*

Key controls

- C.25 *The key controls and control objectives for internal control systems are:*
- a) *Key controls should be reviewed at least annually and the Authority should make a formal statement on the effectiveness of the systems of internal control.*
 - b) *Managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.*
 - c) *Financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.*
 - d) *An effective internal audit function that is properly resourced. It should operate in accordance with the principles contained in the Auditing Practices Board's auditing guideline Guidance for Internal Auditors, CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom and with any other statutory obligations and regulations.*

Responsibilities of the Treasurer

- C.26 To assist the Authority to put in place an appropriate internal control environment and effective controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.
- C.27 To prepare the Annual Governance Statement for approval by the Authority in consultation with senior officers of the Service and Barnsley MBC and to publish with the Statement of Accounts.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- C.28 To manage processes to check that established controls are being adhered to and to evaluate their adequacy and effectiveness and to take all necessary action to secure this on an ongoing basis, in order to be confident in the proper use of resources, achievement of objectives and management of risks.
- C.29 To review the systems of internal control at least annually and to complete an Officer Assurance Statement on the effectiveness of internal controls in respect of their service area.
- C.30 To review existing controls in the light of changes affecting the Authority and to establish and implement new ones as appropriate.
- C.31 To remove controls that are unnecessary or not cost or risk effective, for example, because of duplication. Where such changes relate to financial systems such action to be subject to the approval of the Treasurer.
- C.32 To ensure staff have a clear understanding of the consequences of inadequate internal control arrangements.

AUDIT REQUIREMENTS

Internal audit

Why is this important?

- C.33 *The requirement for an internal audit function for Authorities is implied by section 73 of the Local Government Act 1985, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations 2003 (and any revisions of the same) (SI 2003/533), Regulation 6, more specifically require that a “relevant body shall maintain an adequate and effective system of internal audit of their accounting records and systems of internal control in accordance with the proper internal audit practices”.*
- C.34 *Accordingly, internal audit is an assurance function that primarily provides an independent and objective opinion to the Authority on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the authority’s objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.*

Key controls

- C.35 *The key controls for internal audit are:*
- a) *That it is independent in its planning and operation.*
 - b) *That it supports the Treasurer in fulfilling his/her statutory responsibilities.*
 - c) *The Head of Internal Audit (currently RSM) has direct access to the Chief Fire Officer and Chief Executive, all levels of management and to members of the Authority.*
 - d) *The internal auditors comply with the Code of Practice for Internal Audit in Local Government in the United Kingdom, issued by CIPFA.*

Responsibilities of the Treasurer

- C.36 To ensure that internal auditors have direct access to members of the Authority in particular the Audit and Governance Committee.
- C.37 To approve the strategic and annual audit plans prepared by the Head of Internal Audit, which take account of the characteristics and relative risks of the activities involved, and to report these to the Audit and Governance Committee.
- C.38 To ensure that Internal Audit work to the following objectives:
- a) Review and appraise the systems of internal control and corporate governance arrangements, including the management of risks and the safeguarding of assets;
 - b) Assess the accuracy of financial and other published information;

- c) Ascertain the extent of compliance with procedures, policies, regulations and legislation;
- d) Review whether functions are being carried out as planned and that objectives and goals are being met;
- e) Undertake value for money reviews to assess the economy, efficiency and effectiveness with which resources are employed;
- f) Assess the Authority's arrangements for Best Value and provide support by undertaking and/or assisting with specific reviews;
- g) Work in partnership with the Chief Fire Officer and Chief Executive, particularly in relation to value for money projects and other review functions;
- h) Work in partnership with the external Auditors in providing a comprehensive audit function

C.39 To ensure that effective procedures are in place to investigate promptly any fraud or irregularity.

Responsibilities of Senior Officers of the Service and Barnsley MBC

C.40 To ensure that, subject to satisfactory proof of identity, internal auditors have the authority to:

- a) Access Authority premises at reasonable times.
- b) Access all assets, records, documents, correspondence and control systems.
- c) Receive any information and explanation considered necessary concerning any matter under consideration.
- d) Require any employee of the authority to account for cash, stores or any other Authority asset under his or her control.
- e) Access records belonging to third parties, such as contractors, when required.

C.41 In accordance with the Internal Audit Protocol to consider and respond to recommendations in audit reports within a reasonable period but in any case within six weeks of the date of the communication from the Head of Internal Audit.

C.42 In accordance with the Internal Audit Protocol to ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient manner and by the agreed completion date, and to confirm this to the Head of Internal Audit.

C.43 To ensure compliance with the Fraud Response Plan by notifying the Director of Support Services immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Authority's property or resources. The Director of Support Services shall notify the Treasurer via Internal Audit at the earliest opportunity. Pending investigation and reporting, the relevant officer should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.

C.44 To ensure that new systems for maintaining financial records, or records of assets, or

changes to such systems, are discussed with and agreed by the Head of Internal Audit prior to implementation.

External audit

Why is this important?

- C.45 *The Local Audit and Accountability Act 2014 established Public Sector Audit Appointments Limited (PSAA), which is responsible for appointing external auditors to each local authority in England and Wales that “opts in” to the scheme. Where local authorities choose not to “opt in”, then the authority has to choose its own external auditor through the creation of an Auditor Panel either individually or as a collective with other authorities. The external auditor has rights of access to all documents and information necessary for audit purposes.*
- C.46 *The basic duties of the external auditor are defined in the Local Audit & Accountability Act 2014 and the Local Government Act 1999. In particular, section 5 of the 2014 Act requires the Comptroller and Auditor General 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:*
- a) *The audited body’s financial statements.*
 - b) *The audited body’s arrangements for securing economy, efficiency and effectiveness in their use of resources. Auditors are required to draw a positive conclusion regarding the Authority’s arrangements for ensuring value for money in its use of resources.*
- C.47 *The Authority’s accounts are scrutinised by 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.*

Key controls

- C.48 *The key controls of external audit are:*
- a) *External auditors are appointed by PSAA normally for a minimum period of five years. The Comptroller and Auditor General prepares a code of audit practice, which external auditors follow when carrying out their audits.*

Responsibilities of the Treasurer

- C.49 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.
- C.50 To ensure there is effective liaison between external and internal audit.
- C.51 To work with the external auditor and advise the Authority and the Chief Fire Officer and Chief Executive on their responsibilities in relation to external audit.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- C.52 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.
- C.53 To ensure that all records and systems are up to date and available for inspection.

PREVENTING FRAUD AND CORRUPTION

Why is it this important?

- C.54 *The Authority will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Authority and has adopted an Anti-Fraud and Anti-Corruption Strategy.*
- C.55 *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.*
- C.56 *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.*

Key controls

- C.57 *The key controls regarding the prevention of financial irregularities are that:*
- a) *The Authority has an effective anti-fraud and anti-corruption strategy and maintains a culture that will not tolerate fraud or corruption*
 - b) *All members and staff act with integrity and lead by example*
 - c) *Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the authority or who are corrupt*
 - d) *High standards of conduct are promoted amongst members by the standards committee*
 - e) *The maintenance of a register of interests in which any hospitality or gifts accepted must be recorded*
 - f) *Whistle blowing procedures are in place and operate effectively*
 - g) *Legislation including the Public Interest Disclosure Act 1998 is adhered to.*

Responsibilities of the Treasurer

- C.58 *To develop and maintain an anti-fraud and anti-corruption strategy; policy in relation to money-laundering regulations and compliance with the requirements of the Bribery Act.*
- C.59 *To maintain adequate and effective internal control arrangements and to ensure that they are regularly reviewed.*
- C.60 *To decide whether to refer a matter to the Police following consultation with the Head of Internal Audit, the Chief Fire Officer and Chief Executive and the Monitoring Officer.*

Responsibilities of the Deputy Fire Officer/Director of Service Development and the Monitoring Officer

- C.61 To develop and maintain the Employee Code of Conduct.
- C.62 To ensure that the Employee Code of Conduct, Confidential Reporting Policy, Anti-Fraud and Corruption Strategy, Gifts, Hospitality and Discounts Policy and any other policy designed to limit the threat of fraud and corruption is included in the Induction process for all new employees.

Responsibilities of the Director of Support Services

- C.63 To develop, maintain and review a register of interests.
- C.64 To develop, maintain and review the Gifts and Hospitality Registers.
- C.65 To develop, maintain and review the Confidential Reporting, Gifts, Hospitality and Discounts, Fraud and Irregularity Reporting Policies and the Anti-Fraud and Anti - Corruption Strategy.
- C.66 To promote and ensure compliance with the Authority's internal control policies and in particular to ensure that all suspected irregularities are reported in accordance with the Fraud and Anti-Corruption Strategy (see C.54).
- C.67 To maintain adequate and effective internal control arrangements.
- C.68 To instigate the Authority's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- C.69 To ensure that all suspected irregularities are reported in accordance with the Anti-Fraud and Anti-Corruption Strategy through the Director of Support Services in the first instance.
- C.70 To ensure that they adhere to the Authority's policy on money laundering.
- C.71 To comply with the requirements of the Bribery Act in relation to their dealings with suppliers and other external partners.

ASSETS, STOCK AND INVENTORIES

Why is this important?

- C.72 *The Authority holds assets in the form of land, property, vehicles, equipment, furniture and other items. 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.*
- C.73 *Assets should be properly managed in order to ensure that the Authority receives maximum benefit from them. Assets which are not effectively used may be a liability in terms of maintenance and/or depreciating value. It is therefore essential that, a full assessment is carried out annually of their potential and the financial implications of the available options in order to obtain best value.*
- C.74 *An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management*

Key controls

- C.75 *The key controls for management and security of the Authority's assets are:*
- a) *Resources are used only for the purposes of the Authority and are properly accounted for.*
 - b) *Resources are available for use when required.*
 - c) *Assets for disposal are identified and are disposed of at the most appropriate time, and only when it is in the best interest of the Authority and best price is obtained. Resources no longer required are disposed of in accordance with law and the Regulations of the Authority for their open market value.*
 - d) *Procedures for disposals protect staff from accusations of personal gain.*
 - e) *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.*
 - f) *Records of all assets are maintained, referenced and securely held with title deeds held in a secure location.*
 - g) *All staff are aware of their responsibilities with regard to safeguarding the Authority's assets and information including the requirements of the Data Protection Act and software copyright legislation.*
 - h) *All staff are aware of their responsibilities with regard to safeguarding the security of the Authority's computer systems, including maintaining restricted access to the information held on them and compliance with the Authority's computer and internet security policies.*

Asset Management and Security

Responsibilities of the Treasurer

- C.76 To ensure that adequate arrangements are in place for the management of the Authority's assets.
- C.77 To maintain an asset register of all assets retained, acquired and disposed of by the Authority in order to provide adequate accounting records in accordance with appropriate Codes of Practice.
- C.78 To ensure the information required for accounting, costing and financial records is received from the Director of Support Services.
- C.79 To arrange for the valuation of assets for accounting purposes.
- C.80 To retain title deeds and other documents giving evidence of title to or interest in an asset and to ensure that they are referenced and stored in such a manner as to be secure against all reasonably foreseeable risks yet readily available for reference as and when required.
- C.81 To ensure that when the original documents are removed from their normal place of custody, a record should be made of their whereabouts and of the person responsible for their custody.

Responsibilities of the Director of Support Services

- C.82 To produce and maintain Asset Management Plans for approval by the Authority.
- C.83 To carry out asset management activities in accordance with the Authority's Asset Management Plans.
- C.84 To ensure that a database is maintained for all properties, plant and machinery and moveable assets currently owned or used by the authority which will provide sufficient information to ensure that they are safeguarded, used efficiently and effectively and adequately maintained.
- C.85 To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- C.86 To ensure that assets are in productive use or that they are appreciating in value at little cost in terms of maintenance.
- C.87 To ensure that an annual assessment is carried out of all assets in order that they are providing best value for the Authority.
- C.88 To ensure that where land or buildings are surplus to requirements, a recommendation for sale is the subject of a joint report by the Chief Fire Officer and Chief Executive in consultation with the Treasurer.
- C.89 In respect of land and property to ensure that open market value is determined by the District Valuer or by another professional valuer appointed for the purchase or disposal of an asset. Unless the Authority has already given direction on the matter where the value is at a variance to this to ensure a joint report with the Treasurer is submitted to the Authority.

- C.90 To ensure that lessees and other prospective occupiers of Authority land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the Monitoring Officer.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- C.91 To make sure that property is only used in the course of the Authority's business and that no asset is subject to personal use without proper Authority.
- C.92 To ensure that any use of property other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use.
- C.93 To ensure the proper security and safe custody of all buildings vehicles, equipment, furniture, stock, stores and other property belonging to the Authority.
- C.94 In any case where security is thought to be defective or where it is considered that special security arrangements may be needed to implement such arrangements.
- C.95 To ensure that the Director of Support Services is consulted in any case where security of cash is concerned and to ensure cash holdings on premises are kept within agreed limits.
- C.96 To ensure that keys to buildings, vehicles, safes and similar receptacles are kept secure at all times; loss of any such keys must be reported to the Director of Support Services as soon as possible.
- C.97 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 systems. Information may be sensitive or privileged, or may possess some intrinsic value, and its loss or disclosure could result in a cost to the Authority in some way.

Inventories

Responsibility of the Treasurer

- C.98 To approve the write off of inventory discrepancies between £10,000 and £25,000. All write offs in excess of this limit are to be submitted to the Authority for approval.

Responsibilities of the Director of Support Services

- C.99 To ensure arrangements are in place to ensure that inventories are maintained which record an adequate description of furniture, fittings, equipment, plant and machinery above £100 in value. Items below this value should be included where it is considered that they are particularly attractive or desirable.
- C.100 To ensure procedures are in place to ensure an annual inventory check is carried out in order to verify location, review, condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly.
- C.101 To ensure that attractive and portable items such as computers, videos etc. are security marked.
- C.102 To approve the writing off of inventory deficiencies of less than £10,000.

C.103 To maintain a record of all inventory deficiencies approved for write off and to submit a report of such write-offs to the Audit and Governance Committee on an annual basis.

Responsibilities of Senior Officers of the Service and Barnsley MBC

C.104 To ensure an annual inventory check is carried out and to take action in relation to surpluses and deficits.

C.105 To obtain the following approval to write off deficiencies in relation to inventory items:-

Value less than £10,000

Director of Support Services

Value £10,000 to £24,999

Treasurer

Greater than £25,000

Inventory discrepancies greater than £25,000 shall be the subject of a Joint Report by the Chief Fire Officer and Chief Executive and the Treasurer which will be submitted to the Authority.

Stocks and Stores

Responsibility of the Treasurer

C.106 To approve the write off of stock discrepancies between £10,000 and £25,000. All write offs in excess of this limit are to be submitted to the Authority for approval.

Responsibilities of the Director of Support Services

C.107 To designate suitable officers who are responsible for:

- a) Custody of stocks and stores
- b) Authorising the issue of stocks and stores, and
- c) Carrying out the checks of stocks.

C.108 Under no circumstances shall those who are responsible for the custody of stocks and stores also be responsible for the carrying out of stock checks.

C.109 To approve the write off of redundant stocks and equipment subject to a de minimis of £100 per item or combination of the same items. Where such stocks have a saleable value to approve the proposed method of disposal.

C.110 To approve the write off of stock discrepancies of less than £10,000.

C.111 To maintain a record of all stock deficiencies / discrepancies approved for write off and to submit a report of such write-offs to the Audit and Governance Committee on an annual basis.

C.112 Where redundant stocks and equipment have a saleable value that disposal of such stocks is by competitive quotations or auctions, unless, following consultation with the Treasurer a more appropriate method is agreed.

Responsibilities of Senior Officers of the Service and Barnsley MBC

C.113 To make arrangements for the care and custody of stocks and stores.

C.114 To ensure stocks are maintained at reasonable levels and are subject to an independent physical check either at the end of the financial year or as part of a rolling programme throughout the year which covers all items at some point over the year. All discrepancies should be investigated and pursued to a satisfactory conclusion. All records of stock checks must be evidenced and retained.

C.115 In all circumstances other than where a rolling programme of stock checks has been agreed to ensure a certification is made as at 31 March in respect of the value and quantity of all stock holdings in accordance with instructions issued by the Director of Support Services each year.

C.116 To obtain, through the Director of Support Services, the following approvals in order to write off stock discrepancies:

Value of less than £10,000

Director of Support Services

Value £10,000 to £24,999

Treasurer

Greater than £25,000

Stock discrepancies greater than £25,000 shall be the subject of a Joint Report by the Chief Fire Officer and Chief Executive and the Treasurer which will be submitted to the Authority.

C.117 Disposals/ write off of all assets and inventory including vehicles and ICT should be notified to and authorised by the Director of Support Services.

BANKING AND TREASURY MANAGEMENT

Why is this important?

C.117 Many millions of pounds pass through the Authority's books each year. The recognition of this nationally has led to the establishment of codes of practice. These aim to provide assurances that the authority's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the Authority's capital sum.

Key controls

C.118 The key controls of banking and treasury management are:

- a) That the Authority's borrowings and investments comply with the CIPFA Code of Practice on Treasury Management in the Public Services and with the Authority's treasury policy statement.*
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Responsibilities of the Treasurer

- C.119 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 the Public Services and the Authority's treasury management policy statement and strategy.
- C.120 To effect all borrowings in the name of the Authority and to maintain appropriate records.
- C.121 To report at least twice a year on treasury management activities to the Authority.
- C.122 To open, close and operate bank accounts as are considered necessary.
- C.123 To agree the overall petty cash limit and to satisfy himself/herself with regard to the operation of imprest accounts throughout the Service.

Responsibilities of the Director of Support Services

- C.124 To follow the instructions on banking issued by the Treasurer.
- C.125 To provide employees of the Authority, where appropriate, with cash imprest accounts or purchasing cards to meet minor expenditure on behalf of the Authority and to prescribe rules for operating these accounts.
- C.126 To determine the petty cash limit and to maintain a record of all transactions and petty cash advances made, and periodically to review the arrangements for the safe custody and control of these advances.
- C.127 To reimburse imprest holders as often as necessary to restore the imprests, but normally not more than monthly.

Responsibilities of Senior Officers of the Service and Barnsley MBC

C.128 To ensure that employees operating an imprest account:

- a) Obtain and retain vouchers to support each payment from the imprest account or purchasing card where appropriate, an official receipted VAT invoice must be obtained.
- b) Make adequate arrangements for the safe custody of the account or purchasing card.
- c) Produce upon demand cash and all vouchers to the total value of the imprest amount or purchasing card.
- d) Record transactions promptly.
- e) Reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder.
- f) Provide the Director of Support Services with a certificate of the cash held at 31 March each year.
- g) The float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made.
- h) Cash payments are only made when justified and that imprests are properly managed.
- i) Notify the Director of Support Services each time the holder of an imprest transfers and to agree the balance at the point of transfer.

C.129 To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Authority following consultation with the Treasurer.

STAFFING

Why is this important?

C.130 In order to provide the highest level of service, it is crucial that the Authority recruits and retains high calibre, knowledgeable staff qualified to an appropriate level.

Key controls

C.131 The key controls for staffing are:

- a) An appropriate staffing strategy and policy exists, in which staffing requirements and budget allocation are matched.*
 - b) Procedures are in place for forecasting staffing requirements and cost.*
 - c) Controls are implemented that ensure that staff time is used efficiently and to the benefit of the Authority.*
 - d) Checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy.*
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Responsibility of the Treasurer

C.132 To ensure staffing budgets are robustly prepared.

Responsibilities of the Deputy Chief Fire Officer/Director of Service Development

C.133 To produce and maintain an appropriate staffing strategy and policy.

C.134 To forecast station staffing requirements upon which the annual budget and medium term financial plan will be based.

C.135 To forecast the requirements of and impact of other staffing related matters, which will impact on the production of staffing budgets.

C.136 To provide an assessment of the robustness of the assumptions made in relation to staffing budgets.

C.137 To provide the Director of Support Services with regular forecasts of staffing levels throughout the year, in order to provide effective budget monitoring.

C.138 To ensure that station staffing budgets are not exceeded without due authority and are managed to enable the agreed level of service to be provided.

C.139 To monitor staff activity to ensure adequate control over such costs as sickness, overtime and temporary staff.

C.140 To ensure checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy.

Responsibilities of the Director of Support Services

- C.141 To produce an annual staffing budget which reflects the information provided by the senior officers of the Service and Barnsley MBC.
- C.142 To act as an advisor where required on areas such as National Insurance and pension contributions, as appropriate.
- C.143 To ensure that relevant Directors and the Treasurer are immediately informed if the staffing budget is likely to be materially overspent.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- C.144 To forecast requirements for non station based staff upon which the annual budget and medium term financial plan will be based.
- C.145 To provide the Director of Support Services with regular forecasts of staffing levels throughout the year in order to provide effective budget monitoring.
- C.146 To ensure that the staffing budget is not exceeded without due authority and that it is managed to enable the agreed level of service to be provided.

D. Financial Systems and Procedures

GENERAL

Why is this important?

- D.1 *Sections have many systems and procedures relating to the control of the Authority's assets, including purchasing, income collection, costing and management systems. Sections, districts and stations are increasingly reliant on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.*
- D.2 *The Treasurer has a professional responsibility to ensure that the Authority's financial systems are sound and should therefore be notified of any new significant developments or changes.*

Key controls

- D.3 *The key controls for systems and procedures are:*
- a) *Basic data exists to enable the Authority's objectives, targets, budgets and plans to be formulated.*
 - b) *Performance is communicated to the appropriate managers on an accurate, complete and timely basis.*
 - c) *Early warning is provided of deviations from target, plans and budgets that require management attention.*
 - d) *Operating systems and procedures are secure.*
 - e) *Appropriate division of duties.*
-

Responsibilities of the Treasurer

- D.4 To make arrangements for the proper administration of the Authority's financial affairs, including to:
- a) Issue advice, guidance and procedures for officers and others acting on the Authority's behalf.
 - b) Determine the accounting systems, form of accounts and supporting financial records.
 - c) Establish arrangements for audit of the Authority's financial affairs.
 - d) Approve any new financial systems to be introduced.
 - e) Approve any changes to be made to existing financial systems.

Responsibilities of the Director of Support Services

- D.5 To ensure that accounting records are properly maintained and held securely.
- D.6 To incorporate appropriate controls to ensure that, where relevant:
 - a) All input is genuine, complete, accurate, timely and not previously processed.
 - b) All processing is carried out in an accurate, complete and timely manner.
 - c) Output from the system is complete, accurate and timely.
- D.7 To ensure that systems are documented and staff trained in operations.
- D.8 To consult with the Treasurer before changing any existing financial system or introducing new financial systems.
- D.9 To establish a scheme of delegation identifying staff authorised to act upon the Chief Fire Officer and Chief Executive's behalf in respect of payments and income collection and showing the limits of their authority.
- D.10 To maintain a list of authorised staff, with specimen signatures and delegated limits, together with any subsequent variations and to ensure that older versions of specimen signatures are retained.
- D.11 To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems.
- D.12 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.
- D.13 To ensure that back-up information from financial systems is securely retained in a fireproof location, preferably off site.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- D.14 To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Treasurer.
- D.15 To ensure that a complete management trail is maintained, allowing financial transactions to be traced from the accounting records to the original document and vice versa.
- D.16 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.
- D.17 To ensure staff are appropriately trained.
- D.18 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.
- D.19 To ensure that relevant standards and guidelines for computer systems are observed.

D.20 To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.

INCOME AND EXPENDITURE

Income

Why is this important?

D.21 Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted, banked and recorded on the financial system properly. It is preferable to obtain income in advance of supplying goods or services as this improves the Authority's cashflow and also avoids the time and cost of administering debts.

Key controls

D.22 The key controls for income are:

- a) All income due to the Authority is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed.*
- b) All income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery.*
- c) All money received by an employee on behalf of the Authority is paid without delay to the Authority's bank and properly recorded. The responsibility for cash collection should be separated as far as practicable from that:
 - For identifying the amount due*
 - For reconciling the amount due to the amount received**
- d) Effective action is taken to pursue non-payment within defined timescales.*
- e) Formal approval for debt write-off is obtained.*
- f) Appropriate write-off action is taken within defined timescales.*
- g) Appropriate accounting adjustments are made following write-off action.*
- h) All appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule.*
- i) Money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.*
- j) The encashment of personal cheques on behalf of employees or clients is not permitted so not to compromise the Authority's financial position.*

Responsibilities of the Treasurer

D.23 To agree arrangements for the collection of all income due to the Authority and to approve the procedures, systems and documentation for its collection.

D.24 To satisfy himself or herself regarding the arrangements for the control of receipts, books, tickets and similar items.

- D.25 To approve all debts to be written off up to a limit of £10,000 in consultation with the Director of Support Services.
- D.26 To obtain the approval of the Authority to write off debts in excess of £10,000.
- D.27 To satisfy himself or herself that appropriate accounting adjustments are made following write-off action.
- D.28 To satisfy himself or herself that monies collected and deposited are reconciled to the bank accounts on a monthly basis.
- D.29 Following the Authority's decision to charge for services to approve the level of such charges.

Responsibilities of the Director of Support Services

- D.30 To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- D.31 To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- D.32 To establish efficient and effective methods for the collection of income.
- D.33 To monitor performance information in relation to the recovery of income and to instigate action as appropriate.
- D.34 To order and supply to relevant sections all receipt forms, books or tickets and similar items and to satisfy himself or herself regarding the arrangements for their control.
- D.35 Except in the case of payment of invoices to ensure that an official receipt is immediately issued in respect of all payments.
- D.36 To ensure that income is paid fully and promptly into the appropriate Authority bank account in the form in which it is received. Appropriate details should be recorded on to paying-in slips to provide an audit trail.
- D.37 To hold securely receipts, tickets and other records of income for the appropriate period.
- D.38 To ensure monies collected and deposited are reconciled to the bank accounts at least monthly.
- D.39 To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- D.40 To ensure that no bona fide debts are cancelled except by full payment or by formal writing off.
- D.41 To ensure credit notes are only issued to correct factual inaccuracy or administrative error in the calculation and/or billing of the original debt.
- D.42 To approve the write off of bad debts up to a value of £2,000 with notification to the Treasurer

- D.43 To obtain the approval of the Treasurer to write off bad debts up to a value of £10,000 and to obtain Fire Authority approval to write off all debts in excess of this limit by means of a Joint Report of the Chief Fire Officer and Chief Executive and Treasurer.
- D.44 To keep a record of all sums written off up to the approved limit.
- D.45 To ensure that appropriate accounting adjustments are made following write-off action.
- D.46 To notify the Treasurer of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Treasurer.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- D.47 To ensure all income is held securely to safeguard against loss or theft, and to ensure the security of cash handling.
- D.48 To ensure cash holdings on premises are kept to a minimum and within specified insurance limits.
- D.49 To ensure that keys to safes and similar receptacles are carried on the person of those responsible at all times; loss of any such keys should be reported to the Director of Support Services as soon as possible.
- D.50 To ensure that spare keys are retained securely.
- D.51 To ensure income is not used to cash personal cheques or other payments.
- D.52 To recommend to the Authority charging policies in respect of goods and services and to ensure that these are regularly reviewed in line with corporate policies.
- D.53 In consultation with the Director of Support Services to obtain the Treasurer's approval to the annual increase in existing charges.
- D.54 To establish procedures to record work done, goods supplied, services rendered or other amounts due, in order to record correctly the sums due to the Authority and to supply the Director of Support Services with details in a timely manner to ensure accounts are sent out promptly.
- D.55 To ensure appropriate registers of periodical income are maintained and to ensure arrangements are in place to generate the raising of invoices at the appropriate time and in the correct amount.
- D.56 To assist the Director of Support Services in collecting debts they have originated by providing any further information requested by the debtor and in pursuing the matter on the Authority's behalf.
- D.57 To ensure a record is retained of the transfer of money between employees of the Authority within Fire Service premises and to transfer monies between premises in a secure manner.

Expenditure

Ordering and Paying for Works, Goods and Services

Why is this important?

D.58 Public money should be spent with demonstrable probity and in accordance with the Authority's policies. Authorities have a statutory duty to achieve best value in part through economy and efficiency. The Authority's procedures should help to ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the Authority's Procurement Strategy and Contract Standing Orders.

Key controls

D.59 The key controls for ordering and paying for works, goods and services are:

- a) All goods and services are ordered only by appropriate persons and are correctly recorded.*
- b) Official purchase orders as approved by the Treasurer must be issued for all work, goods or services to be supplied to the Authority, except for periodic payments such as rates, petty cash purchases, utility bills, credit and purchasing card transactions or other exceptions specified by the Treasurer.*
- c) Goods and services received are checked to ensure they are in accordance with the order.*
- d) Goods should not be received by the person placing an order.*
- e) Payments are not made unless goods have been received by the Authority to the correct price, quantity and quality standards.*
- f) All payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method.*
- g) All appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention schedule.*
- h) All expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.*
- i) In addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.*

Responsibilities of the Treasurer

- D.60 To ensure that all the Authority's financial systems and procedures are sound and properly administered.*
- D.61 To approve any changes to existing financial systems and to approve any new systems before they are introduced.*

- D.62 To approve the form of official orders and associated terms and conditions, with each order bearing a unique reference.

Responsibilities of the Director of Support Services

- D.63 To ensure that an up to date list of staff who are approved to authorise invoices within the Finance function is maintained and that the list is periodically reviewed. Names of authorising staff together with specimen signatures and details of the limits of their authority shall be forwarded to the Treasurer.
- D.64 To ensure that payments are not made on a photocopied or faxed invoice, statement or other document than the formal invoice unless a certification is obtained that the invoice has not previously been passed for payment.
- D.65 To make payments on the Authority's funds in respect of suitably authorised invoices.
- D.66 To make payments to contractors on the certificate of the Head of Estates, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- D.67 To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.
- D.68 To maintain a log of invoices processed in breach of Financial Procedures
- D.69 To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention schedule.
- D.70 To encourage suppliers of goods and services to receive payment by the most economical means for the authority.
- D.71 To notify the Treasurer of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Treasurer.

Responsibilities of the Director of Support Services

- D.72 To agree with the Treasurer a scheme of delegation in respect of staff authorised to sign orders and to maintain an up to date list of such authorised staff, including specimen signatures identifying in each case the limits of their authority.
- D.73 To ensure that two authorised members of staff are involved in the ordering, and receiving process.
- D.74 To ensure that Contract Standing Orders are complied with and that quotations or tenders have been obtained if necessary in respect of all orders placed.

- D.75 To ensure that official orders are placed for all goods and services except for the categories agreed by the Treasurer. Such orders to be uniquely numbered, issued on the approved form, to include an adequate specification of all material aspects of the order, to detail the proper heads of accounts to which the liability is to be charged, a purchase price or a reasonable estimate and are authorised by an approved officer.
- D.76 To ensure that goods and services are checked on receipt, to verify that they are satisfactory in respect of quantity, quality and compliance with specification. This check must be carried out by a different officer from the person who authorised the order.
- D.77 To put in place arrangements to ensure entries are made in inventories or stores records.
- D.78 To encourage suppliers to receive orders by the most efficient methods including e-ordering.
- D.79 To encourage suppliers to streamline requests for payment so as to ensure that payment activities are as efficient as possible. It is essential, however, that no direct debits are entered into without the specific approval of the Director of Support Services.
- D.80 To agree with the Treasurer a scheme of delegation in respect of staff authorised to certify utility and purchasing card invoices and to maintain an up to date list of such authorised staff including specimen signatures identifying in each case the limits of their authority. Such a list shall be forwarded to the Treasurer and the Director of Support Services.
- D.81 Where certification of invoices has been delegated to officers (see para D80 above) to ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment, confirming:
- a) Receipt of goods or services.
 - b) That the invoice has not previously been paid.
 - c) That expenditure has been properly incurred and is within budget provision.
 - d) That prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices.
 - e) Correct accounting treatment of tax.
 - f) That the invoice is correctly coded.
 - g) That discounts have been taken where available.
- D.82 To ensure that payments are not normally made on photocopied or faxed invoice, statement or other document other than the formal invoice. Where this is necessary to ensure that details are provided of steps taken to ensure the invoice has not previously been processed.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- D.83 To ensure that all staff are aware that they have a responsibility to declare any links or personal interest that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Authority.
- D.84 To ensure that all sections, stations and districts utilise the skills of the Procurement Section when seeking to procure items.
- D.85 To ensure that requisitions are placed via the appropriate ordering section to procure all items save the categories of goods and services which the Treasurer has specifically agreed that this is not required.
- D.86 To ensure that telephone orders or other agreements are not entered into prior to the issuing of an official order.
- D.87 To ensure that officers requisitioning goods and services via an order are satisfied that the goods and services requested are appropriate and needed, that there is adequate budgetary provision.
- D.88 To ensure that officers requisitioning goods and services do not split requisitions in order to avoid the requirement to obtain tenders and quotes.
- D.89 To ensure that requisitions placed are only used for goods and services in respect of the Authority's business and not to obtain goods or services for private use.
- D.90 To authorise non purchase order invoices which do not fall into the categories previously approved by the Treasurer.
- D.91 To notify the Treasurer via the Director of Support Services of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Treasurer.

PAYMENTS TO EMPLOYEES, PENSIONERS AND MEMBERS

Why is this important?

D.92 Staff and pensions costs are the largest item of expenditure for most authorities. 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 paid in accordance with the scheme adopted by the Authority.

Key controls

D.93 The key controls for payments to employees and members are:

a) proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to:

- starters*
- leavers*
- variations*
- enhancements*

and that payments are made on the basis of timesheets or claims, where appropriate.

b) Frequent reconciliation of payroll expenditure against approved budgets and bank accounts.

c) All appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.

d) That all Statutory legislation relating to payroll and pensions regulation is complied with.

e) That all other deductions are authorised by the employee or member.

f) Appropriate division of duties.

Responsibilities of the Treasurer

D.94 To approve the arrangements for secure and reliable payments of salaries and wages, compensation or other emoluments to existing and former employees.

D.95 To make arrangements for paying allowances and expenses to members and to ensure appropriate records of such allowances and payments are maintained.

D.96 To write off an overpayment of salary or wage of whatever amount in consultation with the Chief Fire Officer and Chief Executive when an employee dies in service.

Responsibilities of the Deputy Chief Fire Officer/Director of Service Development

- D.97 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.
- D.98 To notify the Director of Support Services of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required.
- D.99 To authorise relevant members of staff to effect permanent and temporary changes to pay and to maintain an up-to-date list to include post holder, name, authorisation limit and specimen signature. Such a list to be provided to the Director of Support Services and the Treasurer.
- D.100 To ensure that adequate and effective systems and procedures are operated, so that:
- 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' names and payments listed on the payroll are checked at regular intervals to verify accuracy and completeness.
- D.101 To carry out a Life Certificate Exercise in respect of Pensioners Living Abroad and to make arrangements to provide a similar check in respect of those in the UK at least once every two years.
- D.102 To carry out a Review of Injury Pensions at least once every two years subject to reminder letters being sent in respect of pensioner's obligations every twelve months.

Responsibilities of the Director of Support Services

- D.103 To arrange and control secure and reliable payment of salaries, wages, pensions, compensation or other emoluments to existing and former employees, in accordance with procedures on the due date.
- D.104 To record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions.
- D.105 To maintain an up-to-date list of the names of staff within the Finance Function authorised to sign records together with specimen signatures.
- D.106 To ensure that payroll transactions are processed only through the payroll system and that careful consideration is given to the employment status of individuals employed on a self employed consultant or subcontract basis.
- D.107 To ensure that details of any employee benefits in kind are identified to enable full and complete reporting within the income tax self-assessment system.

- D.108 To ensure that all staff are aware of procedures and entitlement to payment for car and other travelling allowances, subsistence and other incidental expenses.
- D.109 To make arrangements for payment of all travel and subsistence claims or financial loss allowance.
- D.110 To provide advice and encouragement to secure payment of salaries and wages by the most economical means.
- D.111 To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the Document Retention Schedule.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- D.112 To ensure that employees submit claims for overtime, allowances and travel and subsistence allowances on a monthly basis. ***Claims not submitted within a three month period will require authorisation by the Director of Support Services before being paid.***
- D.113 To ensure that arrangements are in place to certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Authority, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications.

TAXATION

Why is this important?

D.114 Like all organisations, the Authority is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all staff to be aware of their role.

Key controls

D.115 The key controls for taxation are:

- a) Relevant managers are provided with relevant information and kept up to date on tax issues.*
 - b) Relevant managers are instructed on required record keeping.*
 - c) All taxable transactions are identified, properly carried out and accounted for within stipulated timescales.*
 - d) Records are maintained in accordance with instructions.*
 - e) Returns are made to the appropriate authorities within the stipulated timescale.*
-

Responsibilities of the Treasurer

D.116 To satisfy himself/herself that adequate arrangements are in place for all aspect of tax management.

Responsibilities of the Director of Support Services

D.117 To ensure that adequate arrangements exist for all aspects of tax management.

D.118 To complete all HM Revenues and Customs returns regarding PAYE and NIC and for dealing with that agency as regards queries, dispensations or inspections.

D.119 To maintain an appropriate dispensation in respect of matters to be reported to the Inland Revenue

D.120 To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HM Customs Regulations.

D.121 To complete a monthly return of VAT inputs and outputs to HM Revenues and Customs, and for dealing with that agency as regards queries, dispensations or inspections.

D.122 To provide details to the Inland Revenue regarding the construction industry tax deduction scheme, and for dealing with that agency as regards queries, dispensations or inspections.

D.123 To ensure that where construction and maintenance works are undertaken the contractor fulfils the necessary construction industry tax deduction requirements.

D.124 To seek guidance, as required, taxation matters from the Authority's tax advisers.

D.125 To maintain up-to-date guidance for Authority employees on taxation issues.

D.126 To ensure that managers are aware of their responsibilities for ensuring that information provided to or required of them in relation to tax matters is promptly and accurately conveyed to or obtained from relevant staff under their control.

Responsibilities of Senior Officers of the Service and Barnsley MBC

D.127 To make arrangements to maintain appropriate records in accordance with the Construction Industry Scheme and to provide the Director of Support Services with the same as necessary.

D.128 To consider the tax status of sole traders and to notify the Director of Support Services of any sole trader who is not bona fide self employed.

D.129 To ensure that consideration is given to tax implications such as benefits in kind and to notify the Director of Support Services of identified benefits in kind.

D.130 To follow the guidance on taxation issued by the Director of Support Services.

E. External Arrangements

PARTNERSHIPS

Why is this important?

- E.1 *Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Authorities are working in partnership with others - public agencies, private companies, community groups and voluntary organisations. Authorities still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.*
- E.2 *Authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Authorities will be measured by what they achieve in partnership with others.*

General

E.3 *The main reasons for entering into a partnership are:*

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

E.4 *A partner is defined as:*

“A joint working formal arrangement where there is agreement to co-operate in achieving a common goal, to share information and often pool resources, risks and rewards which are monitored by regular meetings”.

E.5 *Partners participate in projects by:*

- a) *Acting as a project deliverer or sponsor, solely or with others.*
- b) *Acting as a project funder or part funder.*
- c) *Being the beneficiary group of the activity undertaken in a project.*

E.6 *Partners have common responsibilities:*

- a) *To be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation.*
- b) *To act in good faith at all times and in the best interests of the partnership's aims and objectives.*
- c) *Be open about any conflict of interests that might arise.*

- d) *To encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors.*
- e) *To hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature.*
- f) *To act wherever possible as ambassadors for the project.*

Key controls

E.7 *The key controls for Authority partners are:*

- a) *If appropriate, to be aware of their responsibilities under the Authority's Financial Regulations, Procedures and Contract Standing Orders.*
- b) *To ensure that risk management processes are in place to identify and assess all known risks.*
- c) *To ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise.*
- d) *In respect of formal partnerships to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences.*
- e) *To communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.*
- f) *To undertake evaluation to determine the effectiveness of the project.*

Responsibilities of the Treasurer

- E.8 To advise on effective controls that will ensure that resources are not wasted.
- E.9 To ensure that procedures are in place to ensure that partnership arrangements have been assessed for financial viability, funding requirements and risk issues prior to entering into any agreement.
- E.10 To ensure that the accounting arrangements are satisfactory.

Responsibilities of the Director of Support Services

- E.11 To ensure that partnership arrangements comply with the high standards of conduct with regard to financial administration,
- E.12 To ensure that formal procedures are in place to enable partnership arrangements to be evaluated for financial risk and long term resourcing implications should the partnership end.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- E.13 To maintain a register of all formal and informal partnerships.

- E.14 To ensure that all partnerships have been evaluated against the Authority's partnership strategy and evaluation processes in accordance with procedures specified by the Director of Support Services and the Treasurer.
- E.15 To ensure that all partnerships entered into, contribute to the achievement of the Authority's objectives.
- E.16 To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared and considered.
- E.17 To consider the financial viability of any partnership arrangement and to ensure that any funding requirements have been fully assessed and understood and approvals have been obtained in accordance with approvals required for virements and new spending proposals.
- E.18 To ensure that such agreements and arrangements do not impact adversely upon the services provided by the Authority.
- E.19 To ensure that all agreements and arrangements are properly documented and that the agreement includes a clause setting out the requirements for reasonable Internal Audit access in accordance with Financial Regulation E7.
- E.20 To provide appropriate information to the Director of Support Services to enable a note to be entered into the Authority's statement of accounts concerning material items by the Treasurer.

EXTERNAL FUNDING

Why is this important?

E.19 *External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Authority. Authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external agencies provide additional resources to enable the authority to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Authority's overall plan.*

Key controls

E.20 *The key controls for external funding are:*

- a) *To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.*
 - b) *Arrangements are in place to ensure that all relevant grant claims are identified, accurate and prepared on a timely basis.*
 - c) *To ensure that funds are acquired only to meet the priorities approved in the Authority's policy framework.*
 - d) *To ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.*
 - e) *To ensure that the consequences of withdrawal of funding at the end of the period is given appropriate consideration.*
-

Responsibilities of the Treasurer

- E.21 To ensure that all funding notified by or claimed from external bodies is received and properly recorded in the Authority's accounts.
- E.22 To issue guidance and advice on the procedure/documentation governing the claiming of grants.
- E.23 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- E.24 To ensure that audit requirements are met.
- E.25 To accept offers of funding between £25,000 and £250,000 for each item subject to such offers furthering the achievement of the Authority's stated policies.
- E.26 To jointly with the Chief Fire Officer and Chief Executive submit reports to the Authority, to accept funding in excess of this amount.

- E.27 To ensure that the implications of withdrawal of funding are considered and plans are in place to ensure that this does not affect future service provision.

Responsibilities of the Director of Support Services

- E.28 To accept offers of funding between £0 and £25,000 for each item subject to such offers furthering the achievement of the Authority's stated policies.

Responsibilities of Senior Officers of the Service and Barnsley MBC

- E.29 To submit details of proposed funding for Community Safety initiatives to the Partnership Board prior to bidding for external funding, in the form specified within the Partnership Toolkit, such a report to state how the proposed funds will contribute to achievement of the Authority's objectives.
- E.30 To seek the approval of the Director of Support Services and the Chief Fire Officer and Chief Executive to the proposed acceptance of funding prior to submitting a report to the Treasurer or Authority for formal acceptance.
- E.31 To comply with the rules of the funding body and ensure that only grant eligible expenditure is incurred.
- E.32 To ensure that all claims for funds are correct, made by the due date and are appropriately certified.

WORK FOR THIRD PARTIES

Why is this important?

E.33 *Current legislation enables the Authority to provide a range of services to other bodies. This would include a Local Authority Company if required. Such work may enable a section to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work is minimised and that such work is intra vires.*

Key controls

E.34 *The key controls for working with third parties are:*

- a) *To ensure that proposals are costed properly in accordance with guidance provided by the Treasurer.*
 - b) *To ensure that contracts are drawn up using guidance provided by the Treasurer and that the formal approvals process is adhered to.*
 - c) *To issue guidance with regard to the financial aspects of third party contracts and arrangements and the maintenance of the contract register.*
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Responsibilities of the Treasurer

E.35 To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

E.36 To ensure adequate insurance cover is arranged for all contracts.

Responsibilities of Senior Officers of the Service and Barnsley MBC

E.37 To ensure that the relevant area of the Service has the appropriate expertise to undertake the contract.

E.38 To ensure that the approval of the Authority is obtained before any negotiations are concluded to work for third parties.

E.39 To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Treasurer.

E.40 To provide appropriate information to the Treasurer to enable adequate insurance cover to be arranged.

E.41 To ensure that all contracts are properly documented and in a format determined by the Treasurer.

E.42 To ensure that, wherever possible, payment is received in advance of the delivery of the service and the Authority is not therefore placed at risk from any bad debts.

E.43 To ensure that no contract is subsidised by the Authority.

- E.44 To ensure that such contracts do not impact adversely upon the services provided for the Authority.
- E.45 To ensure that all contracts are properly documented.
- E.46 To provide and certify as necessary appropriate information to the Director of Support Services to enable a note to be entered into the statement of accounts by the Treasurer.

SPONSORSHIP AND COMMERCIAL ADVERTISING

- E.47 The Authority has an approved Commercial Sponsorship and Advertising Policy.

Responsibilities of the Chief Fire Officer and Chief Executive

- E.48 To give formal sign off in any agreements made.

Responsibilities of the Director of Support Services

- E.49 To approve the entering into negotiations with commercial sponsors.