

REPORT

Meeting	NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE AUTHORITY	
Date	11 JUNE 2004	agenda item number

REPORT OF THE TREASURER

REVISIONS TO FINANCE STANDING ORDERS AND FINANCIAL REGULATIONS

1 PURPOSE OF REPORT

To seek the approval of Members to a number of minor revisions to the authority's Financial Regulations.

2. BACKGROUND

The current Financial Regulations of the Authority were adopted by the Shadow Fire Authority in 1997. They have never been revised and whilst they remain for the most part useful and accurate there are a number of areas which require revision. The Accounts and Audit Regulations 2003 replace the Accounts and Audit Regulations 1996 and these new regulations change some of the definitions and responsibilities.

3. REPORT

SUMMARY OF CHANGES

- 3.1 A full copy of the revised Financial Standing Orders and Financial Regulations is attached which includes in square brackets the wording of the current documents and shows the old wording crossed out. This allows for easy comparison. A summary of the main changes however is as follows:

STANDING ORDERS

- 3.2 All reference to the Accounts and Audit Regulations 1996 has been changed to read Accounts and Audit Regulations 2003 for the reasons explained above. This brings with it some consequential change which recognises the Treasurers role under Section 151 of the Local Government Act 1972.
- 3.3 In the Financial Planning Section (Section 2) there are changes to Sections 2.1, 2.5, 2.6, and 2.8 as a result of moving from being a levying body to a precepting body. There is a minor change in section 2.2 to correct an earlier error which refers to the CFA as a Committee.

- 3.4 Again in the Budgetary Control Section (Section 3) there is an amendment to section 3.9 to reflect changes in regulations around the dates for accounts to be signed off.

FINANCIAL REGULATIONS

- 3.5 In the Financial Regulations under Section 5 (Capital Expenditure) there is a change in wording under 5.12 to reflect the role of the Office of the Deputy Prime Minister as opposed to the Home Office.
- 3.6 Section 6 (Banking and Income) is amended at paragraph 6.5 to reflect the fact that the Authority no longer uses pre-signed cheques and insists on two signatures on every cheque transaction.
- 3.7 In Section 7 (Investment and Borrowing) new sections 7.3, 7.4, and 7.5 have been added to reflect the requirements of the prudential code.
- 3.8 In Section 10 (Tendering procedures) a new exemption from tendering has been added. This effectively means that purchases below £250 in value do not need competitive quotations providing that the Treasurer (represented by the Head of Finance and Resources) is content that value for money is being obtained.

4. FINANCIAL IMPLICATIONS

There are no budgetary implications arising from this report. The amendments proposed in the report bring the Financial Regulations up to date and the amendment under Section 10 will make this section more workable in practice.

5. PERSONNEL IMPLICATIONS

There are no Personnel implications in this report.

6. EQUAL OPPORTUNITIES IMPLICATIONS

There are no Equalities implications in this report

7. RISK MANAGEMENT IMPLICATIONS

Financial Standing orders and Financial Regulations create the regulatory framework within which the finances of the Authority are managed. It is vital that these regulations are in place and current.

8. RECOMMENDATIONS

That Members approve the proposed amendments to Financial Standing Orders and Financial Regulations.

9. BACKGROUND PAPERS AVAILABLE FOR INSPECTION

None

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TREASURER**

**NOTTINGHAMSHIRE & CITY OF NOTTINGHAM
FIRE AUTHORITY**

**FINANCE STANDING ORDERS AND
FINANCIAL REGULATIONS**

1. INTRODUCTION

These Finance Standing Orders and Financial Regulations are designed to safeguard the interests of both the Fire Authority and its employees.

They have been drawn up by the Fire Authority Treasurer in consultation with the Chief Fire Officer and have been approved by the Fire Authority.

They provide the framework of controls and standards necessary to achieve the proper administration of the Fire Authority's financial affairs, while at the same time allowing the Chief Fire Officer and those who work for him maximum delegation consistent with proper financial administration.

Financial matters delegated by the Fire Authority to the Chief Fire Officer are covered in the financial instructions issued by the Chief Fire Officer to the Service, which have been agreed with the Treasurer.

The Finance Standing Orders are supported by subsidiary financial regulations for specific activities which may be updated at any time in response to changes in working practices and to meet changed circumstances.

This volume which contains the complete set of Finance Standing Orders and Financial Regulations has been produced in loose leaf format to allow for easy amendment, updating and possible future development. If you require further explanation or have a query concerning any part of its contents, please contact Headquarters.

Further copies of Finance Standing Orders and Financial Regulations may be obtained from the Finance Department or the Treasurer.

FINANCE STANDING ORDERS

CONTENTS

- 1. GENERAL**
- 2. FINANCIAL PLANNING**
- 3. BUDGETARY CONTROL**
- 4. LAND AND BUILDINGS**
- 5. TENDERS AND CONTRACTS UNDER SEAL**

FINANCE STANDING ORDERS

1. GENERAL

- 1.1. The Treasurer shall, for the purpose of Sections 112 and 114 of the Local Government Finance Act 1988, [Section 151 of the Local Government Act 1972] and the ~~revised Accounts and Audit Regulations 1996~~ Accounts and Audit Regulations 2003, be the officer responsible for the proper administration of the Fire Authority's financial affairs and may, subject to the Standing Orders, do all things necessary to ensure the proper administration of the Fire Authority's financial affairs.
- 1.2. The Chief Fire Officer shall comply with any requirement of the Treasurer issued under Finance Standing Order 1.1.
- 1.3. As the Fire Authority's financial adviser, the Treasurer shall report to the Fire Authority regarding the level of financial resources proposed to be utilised in each financial year.
- 1.4. The Chief Fire Officer shall keep the Treasurer informed with such information and at such frequency as the Treasurer may determine to enable monitoring of Fire Authority's overall financial performance, as compared with the approved budget.
- 1.5. The Treasurer in consultation with the Chief Fire Officer shall be responsible for making and amending from time to time such financial regulations as they consider necessary for the proper administration of the Fire Authority's affairs, in conformity with these Finance Standing Orders. Any changes to Financial Regulations must be agreed by the Fire Authority.
- 1.6. Notwithstanding the statutory obligations of the Treasurer, the Fire Authority should, wherever possible, delegate responsibility for financial management to the Chief Fire Officer so that for the most part the financial administration of the Service takes place within the Service, subject to the Treasurer being satisfied that the Chief Fire Officer has made proper arrangements to take on these responsibilities.
- 1.7. The Chief Fire Officer, on behalf of the Treasurer, shall ensure that all employees of the Service are aware of and comply with the Fire Authority's Financial Standing Orders and Financial Regulations. Failure to comply is a serious matter that must immediately be reported to the Treasurer who, in conjunction with the Chief Fire Officer, will decide what action to take.
- 1.8. The Chief Fire Officer must have in place financial instructions for use by the Service to ensure that his responsibility for the accountability and control of staff and the security, custody and control of all other resources including plant, building materials, equipment, and cash and stores throughout the Service is properly discharged. Such instructions shall be agreed with the Treasurer.

A copy of the current Financial Regulations shall be available for inspection to Members, Officers and the public at all reasonable times in the office of the Treasurer and the Chief Fire Officer.

2. FINANCIAL PLANNING

- 2.1. The Treasurer in consultation with the Chief Fire Officer shall agree proposals regarding budgetary guidelines for the forthcoming financial year not later than ~~September~~ [November] of each year that support the strategies contained in the Fire Service Business Plan.
- 2.2. The Treasurer and Chief Fire Officer shall submit budgetary guidelines to the ~~Committee~~ [Fire Authority] for approval.
- 2.3. Within the overall budgetary guidelines agreed with the Treasurer, the Chief Fire Officer will draw up a detailed programme of capital expenditure and detailed estimates of income and expenditure for the following financial year that support the strategies contained in the Annual Business Plan, which will be presented to the Fire Authority for approval.
- 2.4. The Chief Fire Officer shall draw up a statement of capital expenditure and estimates of income and expenditure for future periods beyond the following financial year in a format and for a period agreed with the Treasurer.
- 2.5. The Treasurer will advise the Fire Authority on the determination of the ~~levy~~ [precept and the associated levels of Council Tax].
- 2.6. ~~The Fire Authority shall before the 31st December in any year, submit to each constituent authority, an estimate of its net expenses for the next financial year and shall subsequently, before 15th February, give notice to each constituent Authority of the amount of the contribution to be paid by that authority in the next financial year. [1st March in any year, determine the appropriate level of precept and council tax and issue such notices as may be required to the billing authorities.]~~
- 2.7. Each Member of the Fire Authority shall normally be provided with a copy of the budget proposals, together with a statement by the Treasurer of the effect on the Fire Authority's finances and the precept to be set, at least seven days before the Fire Authority meeting at which such matters will be considered.
- 2.8. The Treasurer will arrange for the issue and receipt of the ~~levy~~ [precept].

3. BUDGETARY CONTROL

- 3.1. It shall be the duty of the Fire Authority to monitor and regulate its financial performance during the currency of each budget period.
- 3.2. Amounts provided under the several heads of the approved annual revenue budget shall not be diverted to other purposes except as allowed by Financial Regulations or as agreed by the Fire Authority.
- 3.3. The inclusion of items in the approved detailed revenue budget shall constitute authority for the Chief Fire Officer to incur such expenditure.

- 3.4. The Chief Fire Officer is authorised to transfer budget provision from one main budget heading to another (virement) in accordance with Financial Regulations.
- 3.5. Where any proposed virement does not meet the criteria set out in Financial Regulations, the Chief Fire Officer must present a report to the Fire Authority on proposals to vary the approved annual revenue budget.
- 3.6. Subject to the limits set out in the Financial Regulations, inclusion of a project in the detailed capital programme and annual revenue budget for the following financial year shall constitute authority to incur expenditure on such schemes, provided that the total revenue costs of any such schemes do not exceed the amounts set out in the detailed annual estimates.
- 3.7. Where the costs of any scheme covered by Finance Standing Order 3.6 either vary from or within the amounts set aside in the approved budget, the Chief Fire Officer shall prepare a report to the Fire Authority setting out the variances on expenditure from those included in the detailed estimates together with proposals for how any overall increase in expenditure is to be met.
- 3.8. Inclusion of a project with a start date in a capital programme beyond the financial year covered by the detailed estimates does not constitute authority to incur expenditure other than provided for in Financial Regulations, until the Fire Authority has received and approved a report as required by Financial Regulations.
- 3.9. The Treasurer shall submit a report to the Fire Authority on each year's signed statutory annual accounts before the ~~30 September of the following year~~ [31st July of the following year or such other date as may be determined by regulation.]
- 3.10. Summary capital and revenue budget monitoring statements in a format agreed between the Chief Fire Officer and the Treasurer must be provided to the Treasurer as required and presented to the Fire Authority at the next practical meeting.
- 3.11. The Chief Fire Officer shall provide reasons for any variations from the detailed annual budget to the Treasurer upon request.

4. LAND AND BUILDINGS

- 4.1. Plans for the rationalisation or expansion of the Service estate, together with provision for the upkeep of the estate, shall be included in the detailed budget agreed by the Fire Authority.
- 4.2. The inclusion of any proposed transaction of land and property in the detailed annual budget for the following financial year shall constitute authority for the Chief Fire Officer to enter into such a transaction without further reference to the Fire Authority provided that the Financial Regulations relating to the Acquisition and Disposal of Land are followed.
- 4.3. Any transaction relating to land and buildings where the total proceeds of sale or acquisition costs exceed £25,000 require the prior approval of the Fire Authority.

5. TENDERS AND CONTRACTS UNDER SEAL

- 5.1 All contracts for works, goods and services including the employment of Consultants and specialist advisers shall be made in accordance with Financial Regulations.

BACKGROUND PAPERS AVAILABLE FOR INSPECTION

- 5.2 Where contracts are awarded competitive tenders must be sought to ensure that the Fire Authority secures the best value for money and is seen to act fairly in giving interested parties an opportunity to tender on equal terms.
- 5.3 The Treasurer and Chief Fire Officer must ensure that throughout the tendering process Government legislation and EC directives are complied with and that the interests of the Fire Authority and its employees are properly safeguarded.
- 5.4 The Fire Authority is not bound to accept the lowest, or any tender, but if a tender other than that which is most financially advantageous to the Authority is accepted, it must be approved by the Fire Authority.

Consultants and specialist advisers shall be made in accordance with Financial Regulations.

FINANCIAL REGULATIONS

CONTENTS

1. INTRODUCTION
2. ACCOUNTING SYSTEMS/RETENTION OF RECORDS
3. AUDIT
4. REVENUE EXPENDITURE
5. CAPITAL EXPENDITURE
6. BANKING.
7. INVESTMENT AND BORROWING
8. INSURANCE ARRANGEMENTS.
9. CONTRACTS AND PROCUREMENT.
10. TENDERING PROCEDURES
11. PAYMENT FOR WORKS, GOODS AND SERVICES
12. PAYMENT OF SALARIES, WAGES AND PENSIONS
13. TRAVELLING, SUBSISTENCE AND MEMBERS' ALLOWANCES
14. ASSETS
15. ACQUISITION AND DISPOSAL OF LAND AND BUILDINGS
16. GIFTS, LOANS AND SPONSORSHIP.
17. INFORMATION TECHNOLOGY

FINANCIAL REGULATIONS

1. INTRODUCTION

- 1.1. These Financial Regulations provide the framework of financial control and standards necessary to achieve the proper administration of the Fire Authority's financial affairs and are designed to safeguard the interests of both the Fire Authority and its employees. They must be read in conjunction with the Fire Authority's Finance Standing Orders and the Service's financial instructions.
- 1.2. The Treasurer, after consultation with the Clerk to the Fire Authority, may vary, waive or suspend any Financial Regulation.
- 1.3. The Chief Fire Officer may delegate his/her responsibilities under these Regulations to specific senior officers. An approved list will be maintained identifying these officers and their responsibilities.
- 1.4. The Chief Fire Officer shall advise the Treasurer with respect to any matter within his/her purview, including any matter which is liable to materially affect the finances of the Fire Authority, before any provision or other commitment is incurred, or before he/she reports to the Fire Authority.
- 1.5. The Treasurer shall have the right to attend meetings with outside bodies where matters of major financial significance are to be discussed, and in such cases the Chief Fire Officer will inform the Treasurer and the Fire Authority in advance if practical, or otherwise as soon as possible.
- 1.6. The Treasurer shall see all reports going to the Fire Authority and have the opportunity to insert appropriate written comments.
- 1.7. The Chief Fire Officer must inform the Clerk to the Fire Authority of all matters where the Fire Authority might have a legal claim against an outside body and of all occasions where there is a likelihood that the Fire Authority will be sued by an outside body.
- 1.8. The Chief Fire Officer may waive these Financial Regulations in order to respond to an emergency operational situation and will inform the Treasurer and the Fire Authority accordingly at the earliest opportunity.
- 1.9. Copies of the Financial Regulations may be obtained from the Finance Department or the Treasurer.

2. ACCOUNTING SYSTEMS & RETENTION OF RECORDS

- 2.1. All accounting systems, procedures and supporting records shall be in a form agreed by the Treasurer. They should provide information that is useful for both stewardship and management responsibilities.
- 2.2. The Treasurer must approve any new systems or procedures for the maintenance of financial records or records of assets and liabilities before such changes are introduced.

- 2.3. The Fire Authority's standards of accounting must accord with the Accounting Code of Practice and the Code of Practice on Prudential Accounting.
- 2.4. The Chief Fire Officer is responsible for ensuring that all necessary approvals for Government grant and reimbursements or contributions from outside bodies are obtained where appropriate towards the expenditure of the Service.
- 2.5. The Chief Fire Officer shall be responsible for ensuring the proper transfer of all financial records and assets, e.g. stocks, stores, imprests, inventories, valuables, cash, etc when an officer ceases to be the responsible accounting officer.
- 2.6. The following principles shall be observed in the allocation of accounting duties:
 - (a) The duties of providing information regarding sums due to or from the Fire Authority and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them;
 - (b) Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.
- 2.7. The Chief Fire Officer must draw up a schedule outlining the minimum period for the retention of financial records which must be agreed with the Treasurer.

3. AUDIT

- 3.1. The Treasurer shall maintain an adequate and effective internal audit of the Fire Authority's accounts/activities, in accordance with the ~~Revised Accounts and Audit Regulations 1996~~ [2003]
- 3.2. The Treasurer or a nominated representative shall, at reasonable notice where practicable, have access to such records, assets, premises and personnel, and shall be entitled to receive such information and explanation that is necessary, for the proper fulfilment of the Treasurer's duties.
- 3.3. The Treasurer or a nominated representative shall independently appraise financial and other systems and the arrangements made by the Chief Fire Officer for securing the economic, efficient and effective use of resources in accordance with a plan drawn up in consultation with the Chief Fire Officer.
- 3.4. If an irregularity occurs or is suspected, which may involve financial loss, the Chief Fire Officer must report it immediately to the Treasurer or vice versa.
- 3.5. The Treasurer must forward to the Chief Fire Officer any Internal Audit report on any matter affecting the Service.
- 3.6. The Chief Fire Officer may also arrange for value for money audits, which may be undertaken by other than by the Treasurer or his nominated representative. Reports arising from such audits should be copied to the Treasurer where appropriate.
- 3.7. The Fire Authority is a legal entity and its accounts are subject to external audit.

4. REVENUE EXPENDITURE

- 4.1. The Financial Regulations covering Revenue Expenditure must be read in conjunction with the Finance Standing Orders.
- 4.2. It is the Chief Fire Officer's responsibility to ensure that detailed budget preparation takes place, that the amounts included in the annual revenue budget are realistic and that there has been correct application of budget conventions and procedures.
- 4.3. Where there is uncertainty about the proper approach to be adopted in preparing the detailed budget, guidance must be sought from the Treasurer.
- 4.4. Once the annual budget has been approved by the Fire Authority, the Chief Fire Officer is responsible for controlling expenditure within it and must have in place arrangements to monitor it on a monthly basis.
- 4.5. The Chief Fire Officer is authorised to transfer budget provision from one main budget head to another provided that such virement does not vary existing policy, or involve a significant future financial commitment, or exceed £50,000.
- 4.6. The Chief Fire Officer must provide the Treasurer with explanations of significant variations from the budget which cannot be remedied by the virement rules.
- 4.7. Details of any proposals for the employment of consultants or specialist advisers must be included in the annual budget. Any proposal to employ consultants or specialist advisers for purposes not provided for in the annual budget and in excess of £15,000 per contract(s) of service must be agreed with the Treasurer and will be subject to an annual report to the Fire Authority.

5. CAPITAL EXPENDITURE

- 5.1 These financial regulations must be read in conjunction with the Finance Standing Orders.
- 5.2 Having regard to appropriate professional advice, the Chief Fire Officer must prepare a detailed capital programme which supports the strategy set out in the Business Plan.
- 5.3 For each new technology or building project included in the first year of the capital programme the following details must be separately shown:
 - (a) How the scheme fits into the overall business plan.
 - (b) The estimated capital costs and phasing.
 - (c) The timescales for starting and completing the scheme.
 - (d) The estimated annual revenue costs for the scheme analysed between financing costs, staffing costs and other revenue costs and incorporating the eventual revenue costs in a full year of operating the scheme.
- 5.4 A latest estimated cost report must be taken to Authority for all new technology or building schemes included in the first year of the capital programme where the total capital cost is £500,000 or more or the estimated full year additional

revenue costs are £200,000 or more prior to tenders being invited for the scheme.

- 5.5 In addition to the information required in 5.3 above the capital costs for the purpose of the latest estimated cost report should be analysed into:
- (a) Land acquisition costs
 - (b) Construction costs
 - (c) Plant, equipment or furniture costs
 - (d) Professional fees or consultancy costs
 - (e) Hardware and software costs
 - (f) Any other relevant costs.
- 5.6 Provided the scope of the scheme remains unchanged the Chief Fire Officer is authorised to incur expenditure on any scheme with a capital cost of up to £500,000 or full year revenue costs of up to £200,000 with an approved start date in the first year of the capital programme, provided that the requirements of Financial Regulation 5.3 have been complied with and the capital and revenue costs do not exceed the amounts shown in the detailed annual budget.
- 5.7. Where the capital or revenue costs of any scheme covered by Financial Regulation 5.6 cannot be contained within the amounts shown in the detailed annual budget the Chief Fire Officer must identify the reasons for the variances in expenditure from those included in the detailed estimates, and notify the Treasurer of proposals for meeting any overall increase in expenditure.
- 5.8. Where it becomes apparent that the tender sum for a capital scheme will be exceeded by 5% or £25,000 whichever is the lower the Chief Fire Officer shall prepare a report to the Fire Authority setting out the reasons for the increased cost together with proposals for how it will be met.
- 5.9 In respect of variable price works contracts, the Chief Fire Officer shall periodically review the cost and report to the Fire Authority if the budget provision for the contract is likely to be exceeded by 5% or £25,000.
- 5.10. The Chief Fire Officer is not authorised to enter into any contractual commitment for schemes with start dates in year two of the capital programme or beyond before a report has been approved by the Fire Authority.
- 5.11. The detailed annual estimates must include a summary showing how the total capital programme is to be financed.
- 5.12. The Chief Fire Officer must comply with any requirements issued by the Home Office [Office of the Deputy Prime Minister] in respect of building schemes controlled by them.

6. BANKING AND INCOME

- 6.1 These Financial Regulations must be read in conjunction with the Service's Financial Instructions.
- 6.2. The Treasurer is responsible for all banking arrangements and must authorise the creation or closure of any Fire Authority accounts. All bank accounts shall have an official title and in no circumstances shall a bank account be opened or operated in the name of an individual.

- 6.3. The Chief Fire Officer is responsible for the daily management and operation of all bank accounts including the regular reconciliation of bank accounts with banking records at not less than monthly intervals.
- 6.4. The Chief Fire Officer is responsible for arranging appropriate imprest accounts and associated banking facilities.
- 6.5. All cheques drawn on the Fire Authority account shall bear the printed signature of the Treasurer or be signed by the Treasurer or any officer authorised by the Treasurer. [In any case all cheques issued by the authority should bear a minimum of two authorised signatures.]
- 6.6. The Chief Fire Officer will ensure that all income is properly accounted for, secure, safeguarded and paid into the Authority's bank account properly and intact.
- 6.7. No income may be paid into any imprest account or used to defray expenditure.

7. INVESTMENT AND BORROWING

- 7.1 The Treasurer is responsible for arranging the investment of Fire Authority funds in accordance with policies approved by the Fire Authority.
- 7.2 The Treasurer will ensure the investment of money on the best available terms, in accordance with prudent investment policies, taking into account present and anticipated economic conditions and projected cash flow of funds.

[Whole new sections 7.3, 7.4 and 7.5]

- 7.3 [The Treasurer shall ensure that a report is taken to the Fire Authority on an annual basis setting out the policies and procedures to be employed for all investments and borrowing.
- 7.4 This report will include the limits prescribed within the Prudential Code procedures and processes for the monitoring and reporting on such limits.
- 7.5 The Treasurer shall ensure that a report is taken to the Fire Authority on an annual basis which sets out the investment policy for the Authority and authorises the use of a range of potential borrowers. Such report should again be in compliance with the Prudential Code.]

8. INSURANCE ARRANGEMENTS

- 8.1 The general policy on insurance should be agreed by the Fire Authority.
- 8.2 The Treasurer must advise the Fire Authority on appropriate insurance arrangements for the following:
 - (a) Fire Authority employees
 - (b) Fire Authority members
 - (c) Buildings
 - (d) Liabilities
 - (e) Vehicles and other assets
 - (f) All other risks.

- 8.3 The Chief Fire Officer is responsible for securing insurance arrangements in accordance with the policy laid down by the Fire Authority.

9. CONTRACTS AND PROCUREMENT

- 9.1 These Financial Regulations must be read in conjunction with Finance Standing Orders.
- 9.2 Unless otherwise stated, these Regulations shall apply to all contracts, whether for the supply of goods, materials, professional or technical services or for the execution of works.
- 9.3 Every contract and order shall be in a form drawn up or approved by the Clerk to the Fire Authority.
- 9.4 The Chief Fire Officer has delegated power to make contracts on behalf of the Fire Authority and manage the tendering and contract process.
- 9.5 All contracts, including, where appropriate, nominated sub-contracts and contracts with nominated suppliers shall comply with these Regulations and no exception or amendment to any of their provisions shall be made, other than with the express written approval of the Clerk to the Fire Authority and the Treasurer, where it is believed to be in the best interests of the Fire Authority to do so.
- 9.6 Unless otherwise stated, the term 'contract' shall mean any agreement between the Fire Authority and any other party, which is intended to be legally binding. The term therefore applies to all formal contracts, together with all orders placed on behalf of the Fire Authority.
- 9.7 Members or employees who have a direct or indirect pecuniary interest in a contract shall not be supplied with or given access to any tender documents, contracts or other information relating thereto without the authority of the Clerk to the Fire Authority.
- 9.8 All contracts and related matters shall comply with any legislation and/or overriding requirements of the European Community and/or Her Majesty's Government, for the time being in force.
- 9.9 Where any of these Regulations may affect the action of a tenderer or successful contractor, then a clear reference to that Regulation shall be contained in the tender documents.
- 9.10 No contracts shall be made on behalf of any body not covered by the Local Authorities Goods and Services Act 1970 unless otherwise agreed by the Treasurer and the Clerk to the Fire Authority.
- 9.11 An official order shall be issued for all work, goods or services to be supplied to the Fire Authority, where the tender accepted is less than £50,000 (see also para.11.2).
- 9.12 A formal contract shall be entered into for all work, goods or services to be supplied to the Fire Authority, where the tender accepted is £50,000 or more. Construction and maintenance contracts and such other contracts as the Clerk

to the Fire Authority deems appropriate shall be executed as speciality contracts (i.e. generally under seal).

- 9.13 No work may be commenced on site or goods or materials ordered until either an official order has been issued, or a formal contract and a bond, in accordance with Financial Regulation 10.9, has been duly executed by the contractor and returned to the Authority.
- 9.14 The Chief Fire Officer shall maintain written guidelines on the minimum standards of record keeping required of employees supervising contracts.

10. TENDERING PROCEDURES

- 10.1 The method of selecting tenderers for contracts shall be agreed with the Treasurer. The letting of a contract or series of contracts whose aggregate value exceeds the regularly updated EC threshold figure must, where applicable, comply with prevailing EC directives in respect of tendering procedures, technical specifications, the selection of tenderers and the awarding of contracts.
- 10.2 Where the estimated cost is £50,000 or more, a minimum of six tenders are to be invited.
- 10.3 Where the estimated cost is under £50,000, a minimum of three tenders are to be invited.
- 10.4 Financial Regulations 10.1 to 10.3 need not be applied if:
- (a) The estimated expenditure is £25,000 or less and the Chief Fire Officer does not consider it practicable to obtain tenders; in which case a minimum of three alternative quotations in writing shall be sought. [If the estimated expenditure is less than £250 and alternative written quotations cannot be obtained, the Treasurer must be satisfied that adequate efforts have been made to secure value for money.]
 - (b) Tenders have been invited by a recognised consortium or similar body.
 - (c) In the case of contracts for the supply of goods or materials, where the goods or materials are sold only at a fixed price and no reasonable satisfactory alternative is available;
 - (d) The work to be executed or the goods or materials to be supplied constitute an extension of an existing contract, and the necessary budget provision exists.
 - (e) The work to be executed or the goods or materials to be supplied are required so urgently as not to permit the invitation of tenders;
 - (f) The work to be executed or the goods or materials to be supplied consist of repairs to or parts for existing proprietary machinery, where such repairs or parts are specific to that machinery;

- 10.5 The Chief Fire Officer shall maintain a written register of all instances where Financial Regulations 10.1 to 10.3 have not been complied with, together with the reasons and will present an annual report on these instances to the Fire Authority.
- 10.6 The opening of tenders shall be in accordance with procedures agreed with the Treasurer and contained within Financial Instructions.
- 10.7 The Chief Fire Officer shall maintain a register of all tenders accepted, which shall in each case list all the tenders received and which shall be in a form approved by the Clerk to the Fire Authority and the Treasurer.
- 10.8 Where deemed appropriate by the Clerk to the Fire Authority and the Treasurer, contracts under seal which are for the execution of work or for the supply of goods or materials by a particular date or series of dates shall provide for liquidated and ascertained damages of an amount to be specified in each such contract by them.
- 10.9 The Clerk to the Fire Authority will advise the Chief Fire Officer on circumstances where there is a requirement to provide security for the due performance of any contract exceeding £250,000. The nature and amount of any such security shall be specified as a provisional item in the conditions of tender and be in a form and obtained from an institution approved by the Treasurer.
- 10.10 Every extra or variation on a contract for the execution of works shall be authorised in writing by the Chief Fire Officer or by a consultant appointed by the Chief Fire Officer.
- 10.11 Claims from contractors in respect of matters not clearly within the terms of the contract shall be referred to the Clerk to the Fire Authority for consideration of the Authority's legal liability as soon as they are known. Valid claims for loss and expense arising from delay and disruption shall be notified to the Fire Authority where they are likely to exceed £50,000 in value or where there is a possibility of legal proceedings, including arbitration procedures as provided for by the conditions of contract, being commenced.
- 10.12 Unless the Treasurer and the Clerk to the Fire Authority agree otherwise liquidated and ascertained damages, where allowed for, shall be applied in respect of contracts not completed within the original contract period, together with any extensions of time granted in accordance with the contract.

11. PAYMENT FOR WORKS, GOODS AND SERVICES

- 11.1. Before authorising an official order, or any process which may lead to a payment, employees shall:-
 - (a) ensure they are authorised to order or process the payment;
 - (b) satisfy themselves that the works/goods/services are a proper charge on the funds under their control;
 - (c) ensure there is adequate budget provision;
 - (d) satisfy themselves that the works/goods/services have been received, conform in all respects with an official order and are acceptable in every way;
 - (e) ensure prices, arithmetic and discounts are correct.

- 11.2 Official orders are not necessary for supplies of public utility services, for periodic payments such as rent and rates, for imprest purchases or such other exceptions as the Chief Fire Officer or Treasurer may approve.
- 11.3 The duties of ordering, receiving goods and certifying invoices for payment must not be performed by the same officer without prior agreement of the Treasurer.
- 11.4 Where contracts provide for payment to be made by instalments, the Chief Fire Officer shall maintain a contract register in a form approved by the Treasurer which shall show the state of account on each contract between the Authority and the contractor together with any other payments and any related professional fees.
- 11.5 Payments to contractors on account of works contracts shall be made only on a certificate which shall show the total amount of contract, the value of work executed to date, retention money, amount paid to date and the amount now certified. Such certificate shall be issued by the Chief Fire Officer or the consultant authorised to do so.

12. PAYMENT OF SALARIES, WAGES AND PENSIONS

- 12.1 The payment of salaries, wages, pensions or other emoluments shall be made only by the Chief Fire Officer through the payroll system.
- 12.2 All appointments, terminations of employment, absences and any other changes which may affect the pay or pension of present and past employees and pensioners must be notified to the Chief Fire Officer.

13. TRAVELLING, SUBSISTENCE AND OTHER ALLOWANCES

- 13.1 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be in accordance with the Financial Instructions.

14. ASSETS

- 14.1 The Chief Fire Officer is responsible for the security of all assets under his control and shall maintain an asset register where appropriate.
- 14.2 Assets include land, property, money, stocks, stores, furniture, equipment and electronic data.
- 14.3 Records relating to these assets and the method and frequency of stores and inventory checks shall be agreed with the Treasurer.
- 14.4 Where assets are disposed of (including written off) such disposal shall be in accordance with procedures agreed with the Treasurer.
- 14.5 As a general principle disposals shall, wherever possible, be subject to competition.

15. DISPOSAL AND ACQUISITION OF LAND AND BUILDINGS

- 15.1 These Financial Regulations must be read in conjunction with the Fire

Authority's Standing Orders and Finance Standing Orders.

- 15.2. Members or employees who have a direct or indirect pecuniary interest in the disposal or acquisition of any Fire Authority land or buildings shall declare that interest and shall not be supplied with or given any access to any tender documents, contracts or other information relating thereto, without the express written authority of the Clerk to the Fire Authority.
- 15.3. Every effort shall be made to maximise the consideration realised by the Fire Authority on the disposal of land and buildings.
- 15.4. The Clerk to the Fire Authority will draw up detailed guidelines to be issued to any consultant or agent appointed on behalf of the Fire Authority to acquire or dispose of property on behalf of the Fire Authority.
- 15.5. Any consultant or agent appointed by the Fire Authority to dispose of property on their behalf shall comply with the procedures contained in these Regulations.
- 15.6. All disposals and acquisitions shall be effected in accordance with the general law operative at the time of the acquisition or disposal.
- 15.7. The Chief Fire Officer or his nominee shall maintain a record of all land and buildings owned by the Fire Authority.

16. GIFTS, LOANS AND SPONSORSHIP

- 16.1. The Chief Fire Officer must issue policy and procedural guidelines governing the acceptance of gifts, loans and sponsorship to the Authority and its employees which must be approved by the Fire Authority.
- 16.2. Any individual gift, loan or sponsorship deal with a market value of £100 or more must be approved by the Fire Authority before it is accepted.
- 16.3. A register of all significant gifts, loans and sponsorships, with their market value, must be maintained by the Chief Fire Officer.

17. COMPUTERS AND INFORMATION TECHNOLOGY

- 17.1. The Chief Fire Officer is responsible for ensuring that all relevant legislation governing the use of computers is complied with and must issue internal guidelines and instructions to the Service governing the use of such equipment.