



North Wales Fire & Rescue Authority

Financial Regulations

This document is uncontrolled when printed. All users are responsible for checking to confirm that this is the current version before use.

Version:	3.0	Next review: TBC
Status:	For Approval	Issue date: TBC

Financial Regulations

Contents

1	Introduction & Compliance	4
2	Administration of Financial Affairs	5
2.1	Responsibility.....	5
2.2	Financial Risk Management.....	6
2.3	Internal Controls and Internal Audit	6
3	Financial Planning	8
3.1	Forward Planning	8
4	Financial Management and Reporting	9
4.1	Budgetary Control.....	9
4.2	Dealing with Overspending of Revenue Budgets	10
4.3	Capital Programme	10
4.4	Budget Virements.....	11
4.5	Statement of Accounts	11
4.6	Reserves	12
4.7	Provisions	12
5	Procurement & Expenditure	13
5.1	Contracts	13
5.2	Orders for Goods, Works and Services.....	13
5.3	Authorisation of Expenditure.....	15
5.4	Payment to Suppliers	16
5.5	Corporate Credit Cards	17
5.6	Imprest Accounts	17
6	Income	18
7	Banking.....	20
8	Staffing	21
8.1	Establishment.....	21
8.2	Secondary Employment.....	21
8.3	Payroll.....	21
8.4	Travelling and Subsistence	22
9	Resources	23
9.1	Security.....	23
9.2	Insurances	23
9.3	Computing and Information Technology	24

9.4	Stocks, Stores and Inventories.....	24
9.7	Asset Leasing and IFRS 16 Compliance	26
10	Treasury Management	27
10.1	Capital Strategy	27
10.2	Treasury Management Strategy & Plan.....	27
11	Value Added Tax (VAT)	28
11.1	Records	28
11.2	Input Tax.....	28
11.3	Output Tax	28
11.4	Retention of Documents	28
12	Preventing Financial Irregularities	29
12.1	Anti-Fraud, Anti-Money Laundering and Corporate Transparency	29
12.2	Donations, Grants to Other Bodies and Contributions.....	30
12.3	Register of Members' Interests.....	30
12.4	Declarations of Interest	30
12.5	Gifts and Hospitality	30

1 Introduction & Compliance

These Financial Regulations set the framework for financial governance within North Wales Fire and Rescue Authority ("the Authority"), ensuring accountability, sound stewardship, and integrity in the use of public funds.

They apply to all Members, Co-opted Members, officers, managers, and employees. For these purposes, officers include Station Managers and above, and Heads/Deputy Heads of Department for non-operational roles.

The Audit Committee oversees the review of these Regulations. The Section 151 Officer is responsible for implementation, issuing supporting procedures, and reporting any breaches. References to "the Authority" include delegated functions to the Executive Panel, Audit Committee, or the Chief Fire Officer (Head of Paid Service), supported by the Section 151 Officer.

All personnel must familiarise themselves with these Regulations and ensure their teams comply. Additional guidance may be issued by the Section 151 Officer where required.

The Service Leadership Team must ensure compliance across all departments. Where uncertainty arises, seek advice from the Assistant Chief Fire Officer (Finance & Resources) and follow the spirit as well as the letter of these Regulations.

Failure to comply with the relevant standards and procedures may result in appropriate action being considered. For employees, this could involve steps taken under the Service's internal procedures, which may include disciplinary processes where necessary. For Members and Co-opted Members, any concerns would be addressed in line with the Authority's Code of Conduct. These measures are in place to support accountability and uphold the integrity of the organisation's governance framework.

2 Administration of Financial Affairs

2.1 Responsibility

- 2.1.1 The Section 151 Officer may issue detailed accounting procedures and guidance to support day-to-day financial management.
- 2.1.2 The Chief Fire Officer and all officers are responsible for ensuring compliance with these Financial Regulations and associated instructions/manuals. Any breaches must be reported to the Section 151 Officer.
- 2.1.3 The Section 151 Officer is appointed in accordance with legislation and advises the Authority and its committees on all matters affecting the Authority's finances and financial administration.
- 2.1.4 All accounts required by legislation to be audited must be approved by the Section 151 Officer. Subsidiary financial records are kept by, or under arrangements approved by, the Section 151 Officer.
- 2.1.5 Roles and responsibilities of the Authority, Chief Fire Officer, Section 151 Officer, Monitoring Officer, Assistant Chief Fire Officer (Finance & Resources) and Department Heads are set out in Appendix 1 – Responsibility Matrix.
- 2.1.6 The following key principles will be observed in the allocation of accounting duties:
 - Segregation of duties: Calculating/checking/recording sums due to/from the Authority must be separated, as far as practicable, from collecting or disbursing those sums.
 - Delegation & authorisation: The Chief Fire Officer, in consultation with the Section 151 Officer, will nominate officers to organise and supervise financial work and certify financial documents. The Financial Scheme of Delegation is maintained by the Head of Finance.
 - Consultation on financial impact: The Chief Fire Officer must inform the Section 151 Officer of any matter affecting the Authority's finances. No report on such matters goes to Members without prior consultation with the Section 151 Officer on the full financial implications. The Section 151 Officer (or delegate) must be given the necessary information and access to documents and reports.
 - Record retention: Financial records are normally retained for six complete financial years plus the current year, unless specific requirements (e.g., grant conditions) set different limits.

2.2 Financial Risk Management

- 2.2.1 The Authority recognises that risk can affect service delivery and the achievement of objectives.
- 2.2.2 Risk means the chance of loss, damage, or injury from an unwanted or uncertain event. Risk management is the planned, systematic approach to identifying, evaluating, and controlling risk.
- 2.2.3 The Executive Panel considers an annual report on the Risk Register, reviews significant changes in risk, and monitors the effectiveness of controls for key risks.
- 2.2.4 The Section 151 Officer ensures arrangements are in place to identify, assess, record, report and monitor financial risks, and that these are reflected in the Corporate Risk Register with the associated controls/mitigations.
- 2.2.5 The budget process takes account of financial risks and reports them as part of the Medium-Term Financial Strategy (MTFS).

2.3 Internal Controls and Internal Audit

- 2.3.1 The Authority must maintain proper arrangements for administering its financial affairs and ensure an adequate system of internal control.
- 2.3.2 Internal control comprises management systems designed to achieve objectives economically, efficiently and effectively, and to safeguard assets and interests.
- 2.3.3 The Authority's Internal Auditors provide an annual opinion on the existence and adequacy of internal controls and operate in line with current professional auditing standards.
- 2.3.4 Internal Audit responsibilities include reviewing, appraising and reporting on:
 - the soundness, adequacy and application of financial and management controls.
 - compliance with relevant policies, plans and procedures.
 - the extent to which assets and interests are accounted for and safeguarded against fraud, waste, extravagance, inefficient administration or other loss.
 - the suitability and reliability of financial and management information.

- 2.3.5 Internal Audit rights of access (and, where stated, the Section 151 Officer or delegate) include the right to:
- enter any operational or administrative premises of the Authority on production of identification.
 - examine, copy or retain any records relating to the accounts and financial administration (including independent access to relevant systems and outputs).
 - require information and explanations from any employee.
 - require any employee to produce or account for cash, stores or other property of the Authority entrusted to their custody.
 - examine work or services performed for the Authority by employees or contractors and any goods purchased or issued from stock.
- 2.3.6 Any actual or suspected irregularity involving cash, stores, property, or financial administration must be reported immediately to the Section 151 Officer, who will investigate and report as appropriate in consultation with the Chief Fire Officer and the Monitoring Officer.
- 2.3.7 The Audit Committee appoints Internal Auditors, approves the Internal Audit work programme, and considers Internal Audit reports and the annual report.

2.4 External Audit

- 2.4.1 External auditors are appointed by Audit Wales under the Public Audit (Wales) Act 2004. Their duties are guided by the Auditor General for Wales through the Code of Audit Practice, which outlines principles and requirements for:
- Audit of financial statements; and
 - Evaluation of arrangements for securing economy and efficiency.
- 2.4.2 The Authority may also be subject to audit, inspection, or investigation by statutory bodies such as HM Revenue & Customs and the Welsh Government.

3 Financial Planning

3.1 Forward Planning

- 3.1.1 Each year, the Section 151 Officer will present to the Authority on the current financial position and factors likely to affect future financial arrangements. This includes risks, uncertainties, and decisions on service provision or priorities.
- 3.1.2 The appraisal will cover both revenue and capital planning assumptions and inform the Medium-Term Financial Strategy (MTFS).
- 3.1.3 Additional appraisals may be provided during the year if deemed necessary by the Section 151 Officer.

3.2 Revenue and Capital Budget

- 3.2.1 Before the start of each financial year, and in line with statutory timescales, the Section 151 Officer (in consultation with the Chief Fire Officer and relevant officers) will submit:
 - The proposed revenue budget for the forthcoming year.
 - the capital programme for the forthcoming year.
 - the MTFS covering the next two years.
- 3.2.2 Submission must include:
 - expected income and expenditure.
 - material risks and uncertainties.
 - financial implications of any proposed service changes.
 - anticipated capital financing costs and funding requirements.
- 3.2.3 The Authority will review and approve these plans; approval cannot be delegated to officers.
- 3.2.4 No financial commitment may be entered into until approved by the Authority and resources are confirmed.
- 3.2.5 The Section 151 Officer will report performance against the approved budgets at the end of Q2, Q3 and Q4 at Authority meeting.

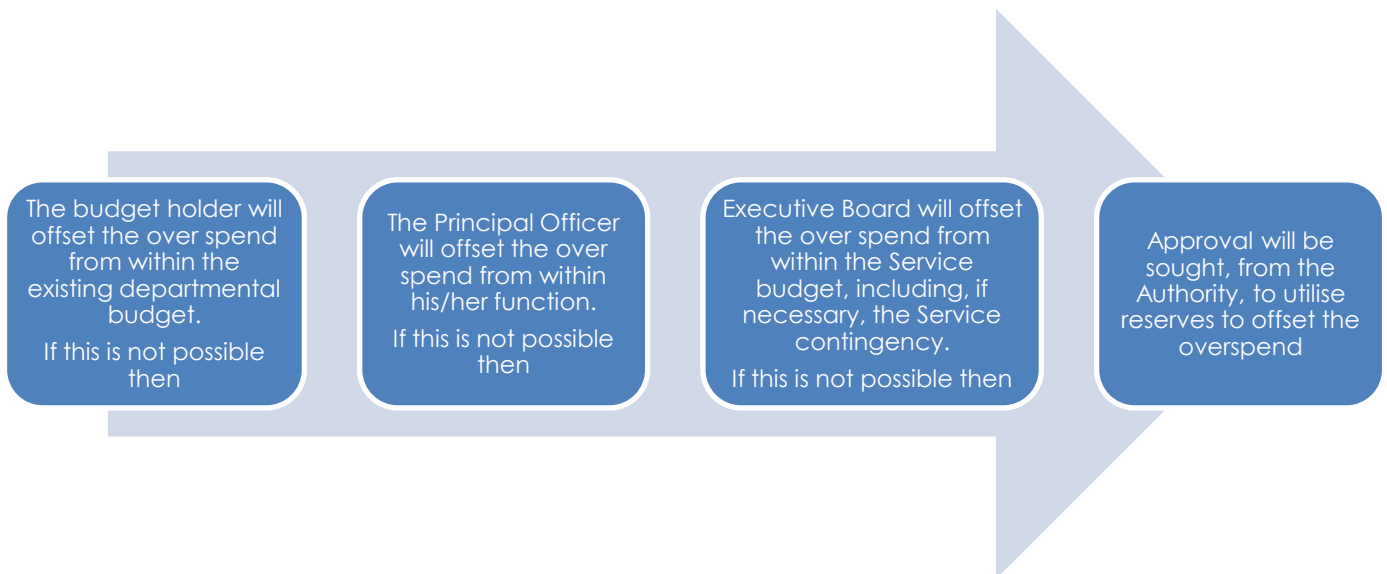
4 Financial Management and Reporting

4.1 Budgetary Control

- 4.1.1 The Section 151 Officer has primary responsibility for budgetary control arrangements. The Chief Fire Officer will maintain a scheme of delegation for day-to-day budget management, monitoring and reporting.
- 4.1.2 The Section 151 Officer and Chief Fire Officer will monitor the approved budget, investigate variances and report to the Authority at each meeting, including a summary by key expenditure headings and commentary on significant items.
- 4.1.3 The Assistant Chief Fire Officer (Finance & Resources) and Head of Finance oversee day-to-day monitoring and reporting and ensure a balanced budget.
- 4.1.4 Budget holders must control income and expenditure in their areas, provide complete and accurate information for reporting, and take action to avoid overspending.
- 4.1.5 All officers committing expenditure or raising/collecting income must comply with Financial Regulations, procedures, and Contract Procedure Rules.
- 4.1.6 Progress on the capital programme will be reported to the Authority at intervals agreed with the Section 151 Officer.

4.2 Dealing with Overspending of Revenue Budgets

- 4.2.1 Budget holders must scrutinise budgets regularly and avoid overspends. Where an overspend is identified, establish the cause, assess impact and manage appropriately. **Recurring** pressures must be reported through the **budget-setting cycle**.
- 4.2.2 Where a **revenue overspend** is projected, apply the following staged approach (in line with **virement rules** at 4.4):



4.3 Capital Programme

- 4.3.1 To qualify as capital, expenditure must satisfy the following criteria:
- Be more than £10,000.
 - Create an asset which has benefits which last for more than one year.
 - Comply with guidance in the appropriate CIPFA Code.
- 4.3.2 If a scheme overspend is estimated at $\geq 10\%$ or £50k (whichever is lower), approval to fund the overspend must be sought from the Assistant Chief Fire Officer (Finance & Resources).
- 4.3.3 If the overspend is $< 10\%$ and $< £50k$, the ACFO (F&R) and Head of Finance will consider it in the context of the overall programme and, if unavoidable, may vire from other schemes or fund from revenue or balances.
- 4.3.4 Disposal proceeds $> £10,000$ are treated as capital receipts; other income is revenue. (See section 8.7 for disposal procedures.)
- 4.3.5 Where a tender for part/all of a capital scheme is **more than 10% or £50k (lower) below** the tender estimate, the **budget will be reduced** to the actual tender value.

4.4 Budget Virements

- 4.4.1 Virement is the transfer of budget between headings to reflect changed activity, address in-year deficits/surpluses, or improve delivery.
- 4.4.2 The scheme of virement is intended to provide the Chief Fire Officer with flexibility to achieve the Authority's objectives within the overall budget approved by the Authority.
- 4.4.3 Virements must follow the Service's Scheme of Financial Delegation and are reported to the Authority through budget monitoring.
- 4.4.4 All virement proposals should be subject to control and should not:
 - use capital budget for revenue purposes.
 - increase the Authority's net commitments in current or future years.
 - effect grant/external-funded projects without the Section 151 Officer's consent.
- 4.4.5 A virement involving the use of revenue funds for capital purposes will require the consent of the Authority.

4.5 Statement of Accounts

- 4.5.1 The Section 151 Officer will ensure timely, accurate production of the Statement of Accounts, prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting (UK) and IFRS.
- 4.5.2 The Section 151 Officer will sign and date the Accounts, confirming they fairly present the Authority's financial position and performance for the year ended 31 March.
- 4.5.3 The Section 151 Officer will make proper arrangements for external audit, including all necessary representations. A report will be presented to the Authority on financial position/performance and the outcome of the external audit, including the auditor's certificate and any reports referred to therein.
- 4.5.4 The Authority is responsible for receiving and approving the Accounts although this function may be delegated to the Executive Panel where appropriate.
- 4.5.5 Audited Accounts will be published on the Authority's website.

4.6 Reserves

- 4.6.1 The Financial Reserves Strategy is presented to the Audit Committee and approved by the Authority.
- 4.6.2 The Section 151 Officer is responsible for ensuring that reserves are maintained in accordance with the Code of Practice and the Strategy.
- 4.6.3 The creation, deletion, assessment of adequacy and transfers in/out of reserves is delegated to the Section 151 Officer of the Authority.
- 4.6.4 The adequacy of reserves is assessed by the Section 151 Officer at least annually, as part of the account's closedown process and/or budget setting process.
- 4.6.5 Accurate records should be maintained, detailing the purpose, usage and the basis of transactions.

4.7 Provisions

- 4.7.1 Provisions relate to probable liabilities as at the balance sheet date but for which there is uncertainty relating to the timing or amount. Provisions set aside an amount to cover an estimate of the probable future expense.
- 4.7.2 The Assistant Chief Fire Officer (Finance & Resources) and Head of Finance are responsible for the assessment and calculation of provisions included in the financial position.

5 Procurement & Expenditure

5.1 Contracts

- 5.1.1 Every contract for goods, works or services must comply with the Authority's Contract Procedure Rules (CPRs) and any prescribed standard form of contract. These Financial Regulations do not amend the CPRs; where process detail is required (routes to market, thresholds, evaluation, waivers, variations, extensions), the CPRs prevail.
- 5.1.2 The Section 151 Officer will make proper arrangements for the maintenance of a contracts register and the contract documents shall be made available for inspection. A complete contracts register will be maintained and made available for inspection; the Head of Finance maintains the register and must receive signed copies of all contracts.
- 5.1.3 Variations must be authorised in line with the Scheme of Financial Delegation, and payment certificates/final accounts processed under arrangements approved by the Section 151 Officer (including where third parties supervise the contract).

5.2 Orders for Goods, Works and Services

- 5.2.1 The Section 151 Officer is responsible for ensuring that arrangements are in place regarding the acquisition of goods and services. No goods and services should be acquired without an official purchase order approved in line with the Scheme of Financial Delegation.
- 5.2.2 Official Orders are to be issued for all goods, work and services, **prior** to receipt of the goods, work or services required except for:
 - (i) allowances to Members.
 - (ii) employee reimbursements (paid via payroll).
 - (iii) purchases from imprest accounts and corporate credit cards.
 - (iv) Utilities bills and NNDR charges.
 - (v) emergency building works recorded on the Facilities Helpdesk system – e.g. call out for a boiler breakdown. A job number will be provided instead of a purchase order.
- 5.2.3 Any other exceptions shall be by specific agreement between the Chief Fire Officer and the Section 151 Officer.

- 5.2.4 In urgent cases a verbal order may be given by an authorised approver but must be confirmed by a written order at the earliest opportunity.
- 5.2.5 Purchase orders must be in a form approved by the Section 151 Officer and must:
- (i) specify the nature and/or quantity of goods, work or services required and any contract or agreed prices.
 - (ii) include relevant quotes/estimates uploaded to the purchasing system or detail the contract or framework reference.
 - (iii) direct that invoices should be rendered to the Authority, after delivery of the goods or completion of the work or service, or as otherwise specified.
- 5.2.6 A record of the employees authorised to approve orders shall be maintained by the Head of Finance.
- 5.2.7 When an employee leaves a position, where they are an approver, the budget holder must inform the finance department, so that access can be removed to prevent the employee from approving orders for the department's budget.
- 5.2.8 Approvers must ensure need, compliance (statute, CPRs, Financial Regulations), and budget provision before committing the Authority to expenditure. In addition, any alteration to an order requires approval by an authorised officer as per the scheme of delegation.
- 5.2.9 The certification of the Chief Fire Officer, or his/her authorised employee, shall be deemed to cover the following matters:
- (i) that the prices are in accordance with the contract or quotation or if there is no contract or quotation, that the prices are otherwise reasonable.
 - (ii) that the expenditure has been properly coded within the Authority's financial ledger.
 - (iii) that the expenditure is within the estimates or is covered by special financial provision and is in accordance with these Financial Regulations.
 - (iv) that where an order includes Value Added Tax, this is in accordance with HMRC regulations:
 - (a) confirmation of whether it is a taxable supply.
 - (b) for construction industry payments, an authenticated receipt will be obtained; or
 - (c) for payments made in advance of services/goods being received, a tax receipt/invoice will be obtained.

5.2.10 The Chief Fire Officer shall supply to the Section 151 Officer, in a form and at agreed intervals, details of outstanding financial commitments for incorporation into reports on the Authority's financial position.

5.3 Authorisation of Expenditure

5.3.1 Approval of the revenue and capital budgets confers authority on the Chief Fire Officer to incur expenditure necessary to achieve the Authority's objectives within those budgets; spend must not exceed approved totals without prior Authority approval. All expenditure must be lawful and compliant with the CPRs and these Regulations, with day-to-day responsibilities delegated by the Section 151 Officer while retaining oversight.

5.3.2 Approval workflows will follow systems approved by the ACFO (Finance & Resources) and Head of Finance, and delegation limits are set out in the Scheme of Financial Delegation.

5.3.3 The day-to-day delegation is set out in the Service's Scheme of Financial Delegation.

5.3.4 Where the cost of an item is estimated to exceed the budget provision the Section 151 Officer, or nominated officer should be informed in the following circumstances:

- for schemes costing up to £100,000 – variances over £10,000.
- for schemes costing over £100,000 – variances over £25,000.

5.3.5 Remuneration, pensions, gratuities or other emoluments to employees or former employees of the Authority should be in accordance with binding national or local agreements or permissible by a resolution passed by the Authority on staffing matters. No ex-gratia payments will be made without the approval of the Chief Fire Officer in consultation with the Section 151 Officer or Monitoring Officer.

5.3.6 In circumstances where the Chief Fire Officer proposes a new policy which is required to be approved by the Authority or an alteration to an existing policy which has already been approved by the Authority, no expenditure shall be incurred thereon until a written financial appraisal has been approved by the Authority.

5.3.7 Where the approval of an outside body is required to authorise expenditure or the means of financing expenditure, no such expenditure shall be incurred or income collected until approval, in writing, has been received from the relevant body.

- 5.3.8 All rents, fees and charges receivable by the Authority other than recharges and those fixed by statute or by a binding legal agreement, shall be determined by the Authority or in accordance with arrangements approved by the Authority.

5.4 Payment to Suppliers

- 5.4.1 The Assistant Chief Fire Officer (Finance & Resources) and Head of Finance are responsible for overseeing the payment of creditors.
- 5.4.2 All payments for goods and services, except for imprest payments, shall be made using the designated financial system and payment will be via electronic transfer to supplier's bank account.
- 5.4.3 The payment of any invoice will not be made unless invoices quote an official order number and goods/services have been receipted on the financial system and where applicable the delivery/advice note uploaded.
- 5.4.4 For exceptionally urgent circumstances, the Authority has the facility to make an urgent payment, which does incur additional bank charges. Normal arrangements will apply whenever possible. Urgent payments must be approved by the Head of Finance and actioned by the Finance Department.
- 5.4.5 Any special authority needed must be obtained prior to any goods or services being ordered and the invoice marked off against Minutes or other authorisation.
- 5.4.6 Where a payment is made to a sub-contractor in the construction industry who does not possess an appropriate exemption certificate, such payment will be treated as entirely labour and tax deducted at the current rate, unless the sub-contractor clearly identifies the materials element, and such element is considered reasonable. To assist in the Authority's compliance with the Finance Act the Authority should whenever possibly identify the invoice as being payable to a sub-contractor.
- 5.4.7 Where an amendment to an invoice is permitted under the Value Added Tax regulations a clear audit trail should be maintained to confirm the reasons where it is not self-evident.
- 5.4.8 At the end of each financial year, as required by the Section 151 Officer, the Chief Fire Officer shall list all accounts for inclusion as creditors in the final accounts for that year.

- 5.4.9 All electronic payments must comply with the Payment Services Regulations 2017 (as amended) and the UK's Strong Customer Authentication (SCA) requirements. The Finance Department shall ensure that payment systems are configured to meet multi-factor authentication standards and that staff are trained in secure payment practices.

5.5 Corporate Credit Cards

- 5.5.1 The Section 151 Officer is responsible for ensuring that arrangements are in place in relation to the use of corporate credit cards.
- 5.5.2 Corporate credit cards are issued to enable officers to make emergency payments or for goods that require immediate payment – for example road fund licences or catering at incidents. The cards should not be used to bypass the Contract Procedure Rules or the requirements of these Financial Regulations.
- 5.5.3 The Head of Finance maintains the cardholder register and manages day-to-day administration; cardholders must follow the Purchase Card Procedure covering use, receipts, coding and reconciliations.

5.6 Imprest Accounts

- 5.6.1 The Section 151 Officer is responsible for arrangements governing imprest (petty cash) accounts, which may be authorised for minor official expenditure only. Salaries, wages, allowances or mileage must not be paid from imprest funds.
- 5.6.2 Imprest accounts require Head of Finance approval and a nominated holder. Claims for reimbursement must follow approved guidelines and forms, with vouchers provided for all payments (VAT invoices where applicable). Holders must:
- keep cash secure.
 - observe transaction limits set by the Section 151 Officer.
 - reconcile and balance monthly.
 - produce cash and vouchers on request.
- 5.6.3 No receipts other than authorised reimbursements may be credited, and personal cheques or borrowing are prohibited. The Head of Finance may require the return of the imprest and supporting documentation at any time.

6 Income

6.1 Collection of Income

- 6.1.1 The Section 151 Officer is responsible for arrangements governing income collection, including the approval of all official receipt forms, books and related documents. Day-to-day responsibilities may be delegated to nominated officers, but overall control remains with the Section 151 Officer.
- 6.1.2 Where the approval of an outside body is required to authorise income, no such income shall be collected until approval, in writing, has been received from the relevant body.
- 6.1.3 All income must be:
- properly safeguarded and banked intact at intervals approved by the Section 151 Officer.
 - collected in accordance with approved rents, fees and charges or statutory requirements.
 - supported by authorised receipts and accurate records of transfers between employees.
 - Made at the Authority's bankers or nominated agents unless otherwise approved by the Section 151 Officer.
- 6.1.4 The Chief Fire Officer shall consult the Section 151 Officer prior to any decision to introduce, revise or discontinue scales of charges or tariffs, whether as part of the annual budget process or otherwise. Significant policy changes, other than those arising from statute should be approved by the Authority.
- 6.1.5 Every employee paying money into a bank must comply with the requirement to enter on a paying-in slip and on the counterfoil or duplicate thereof, details of the payment including for each cheque:
- (i) the amount of the cheque; and
 - (ii) some references (such as receipt number or debtor name) which will connect the cheques with the debts discharged by payment.
- 6.1.6 Third-party cheques should only be accepted where the cheque is from an approved source, i.e. utility undertaking and where it is used in full or part settlement of an Authority debt. In no circumstances should they be cashed or be accepted and change given. Under no circumstances should personal cheques be cashed or money borrowed from income collected.
- 6.1.7 Invoices for income must be raised promptly in an approved format, and any cancellation or reduction must be authorised by the Chief Fire Officer (or designated officer) in agreement with the Section 151 Officer.

6.2 Write offs.

- 6.2.1 No debt once correctly established and due to the Authority shall be discharged other than by payment in full, except by a resolution of the Authority or at the discretion of the Section 151 Officer for sums up to £5,000, for any one debtor in respect of one financial year.
- 6.2.2 The Assistant Chief Fire Officer (Finance and Resources) can write off without limit any sums which are deemed uncollectable by virtue of any type of insolvency, bankruptcy, dissolved companies or liquidation of a debtor, the debt being statute barred or the absence of further remedies being available such as following a committal hearing, a deceased debtor with no estate or where the debtor cannot be traced.
- 6.2.3 Any debts written off that do not meet the above criteria should be approved by the Authority.
- 6.2.4 At the end of each financial year, the Chief Fire Officer will be required to supply the Section 151 Officer with lists of outstanding debts to be brought into account in the Final Accounts of the year.
- 6.2.5 The Section 151 Officer is responsible for ensuring that an adequate provision for bad debt is made in the Authority's accounts at year end.

7 Banking

7.1 Banking Arrangements

- 7.1.1 The Authority will approve the terms under which banking services, including overdraft Facilities are provided. All arrangements with the Authority's bankers, or with any other bank or building society, for the operation of bank accounts in the name of the Authority are to be made through the Section 151 Officer, who may prescribe rules concerning the number, amount and type of transactions which are to be passed through any such account.
- 7.1.2 All bank accounts will include "North Wales Fire and Rescue Authority" in the title.
- 7.1.3 No arrangement of any kind with any banking service will be made without the approval of the Assistant Chief Fire Officer (Finance & Resources).
- 7.1.4 All payments or transfers from any Authority bank account will be approved by an appropriate officer in accordance with the Financial Scheme of Delegation.
- 7.1.5 The Section 151 Officer shall arrange such safeguards as he/she considers necessary and practicable to ensure that cash receivable by the Authority is banked to the credit of the Authority and that payments drawn on the Authority's bank accounts are properly vouched and recorded. Under no circumstances should receipts belonging to the Authority be banked to the credit of a personal bank account of an employee or agent of the Authority.
- 7.1.6 Bank accounts shall be deemed to include payment orders, standing orders and direct debits.
- 7.1.7 Personal cheques of Members or employees of the Authority are not to be cashed.
- 7.1.8 The Section 151 Officer shall ensure that digital banking platforms used by the Authority are subject to regular review, including access controls, audit trails, and compliance with the Financial Services and Markets Act 2023. Any new banking arrangements must include provisions for fraud detection, transaction monitoring, and secure data handling.

8 Staffing

8.1 Establishment

- 8.1.1 The Chief Fire Officer is responsible for providing overall management of employees within the budget approved by the Authority.
- 8.1.2 The appointment of Principal Officers is a matter reserved for the Authority.
- 8.1.3 The Chief Fire Officer shall make suitable arrangements for the following key controls:
 - Ensuring that there is proper use of an agreed job evaluation system or national profiles to ensure a fair and consistent appropriate to determining the grade and remuneration of all posts.
 - Evaluating the employee numbers which can be funded within approved budget provision, varying the provision as necessary within that constraint to meet changing operational needs.
 - Implementing a Service Scheme of Delegation to ensure that changes to the agreed staffing numbers, the hours worked, or the associated roles are subject to proper consideration and approval.
 - Implementing appointment procedures for the recruitment and selection of employees.

8.2 Secondary Employment

- 8.2.1 The Chief Fire Officer shall make arrangements for the proper approval of outside employment for those staff whose primary role is with North Wales Fire and Rescue Service.
- 8.2.2 The Chief Fire Officer reserves the right to, at any time, withdraw the permission for outside employment and/or vary the conditions attached.

8.3 Payroll

- 8.3.1 The Section 151 Officer is responsible for accurate and controlled payment of salaries and related emoluments. All payments, including for casual staff, must be made via the payroll system to ensure correct tax and NI treatment.
- 8.3.2 Managers must provide timely and accurate information on appointments, changes and absences, and certify timesheets and claims in line with deadlines. All payments must comply with contracts, Authority policies and approved pay structures.

- 8.3.3 All payments to staff will be in accordance with their contract of employment, the policies of the Authority and the authorised establishments, grades and rates of pay.
- 8.3.4 The Assistant Chief Fire Officer (Finance and Resources) will implement national pay agreements as soon as possible after their notification from the appropriate body. Arrangements for funding such awards will be determined each year as part of the budget setting process.
- 8.3.5 Engagement of workers via employment agencies will be subject to confirmation that the engagement's tax status has been verified using HMRC guidelines to ensure that tax and NI are deducted as appropriate.
- 8.3.6 All proposed off payroll arrangements with employment agencies, individuals or personal service companies will be subject to completion of HMRC due diligence checks. Where an off-payroll contract is proposed approval should be sought from the Assistant Chief Fire Officer (Finance and Resources).
- 8.3.7 The Section 151 Officer ensures statutory deductions are paid on time and maintains payroll records for the required retention periods (six years for tax/NI; ten years for pension data).

8.4 Travelling and Subsistence

- 8.4.1 **Members:** Payments due to Members of the Authority will be made in accordance with the rates laid down by the Authority, upon receipt of the prescribed form duly completed by the Member concerned.
- 8.4.2 **Employees:** All claims for travel, subsistence and related expenses must:
- be submitted on the approved form and certified by the relevant line manager.
 - confirm that journeys were authorised, expenses properly incurred, and mileage accurate.
 - be processed through payroll wherever possible to ensure correct tax and NI treatment.
- 8.4.3 Certification signifies that the Chief Fire Officer is satisfied the claim is valid and payable. Full requirements, including rates, documentation and time limits, are set out in the Travel and Subsistence Policy and Procedure, which must be followed in all cases.

9 Resources

9.1 Security

- 9.1.1 The Chief Fire Officer is responsible for maintaining security over buildings, stock, equipment, cash and other property, and must consult the Section 151 Officer where security is defective, special measures are needed, or proposed changes may affect security.
- 9.1.2 Maximum limits for cash holdings shall be agreed with the Section 151 Officer and shall not be exceeded without express permission. Any monies held shall be properly safeguarded (normally kept in a safe or locked receptacle).
- 9.1.3 Keys/passes to safes and secure stores must be kept safely; losses must be reported immediately to the Chief Fire Officer and Section 151 Officer.
- 9.1.4 The Chief Fire Officer shall be responsible for ensuring that adequate procedures are in force to ensure that as an employee leaves the Authority's employment all Authority property including keys, passes, floats, identity cards etc, are retained by or returned to the Authority.
- 9.1.5 On leaving the Authority's employment or otherwise ceasing to be an authorised key or pass holder an employee shall hand such keys or passes to the Chief Fire Officer or designated managers.
- 9.1.6 The Chief Fire Officer shall be responsible for the security and confidentiality of all financial and related information under his/her control and ensure compliance with data protection legislation.

9.2 Insurances

- 9.2.1 The Chief Fire Officer, with the Section 151 Officer and ACFO (Finance & Resources), will review assets and risks to determine required insurance. Indemnities requested of the Authority must be agreed with the Section 151 Officer and the Clerk to the Fire Authority. Changes in use of assets or services that affect cover must be notified promptly.

- 9.2.2 The ACFO (F&R) arranges insurance (other than contractor-held cover), agrees policy excesses, and ensures procedures for authorising claim settlement/repudiation; the Section 151 Officer maintains the policy register and ensures premiums are paid and claims/losses are managed. Reasonable provisions will be made for unidentified risks or known liabilities. The ACFO (F&R) must be informed of claims, potential claims and new/emerging risks, and officers must supply requested documents within stated timescales.

9.3 Computing and Information Technology

- 9.3.1 The Section 151 Officer shall be responsible for advising on the arrangements for processing financial data. Any proposals to develop or modify financial systems or to use financial information on local systems must be in accordance with the appropriate requirement for Financial Services.
- 9.3.2 The Chief Fire Officer and managers must ensure appropriate IT security and privacy controls; financial data should only be released to authorised employees and those specifically approved by the Section 151 Officer.

9.4 Stocks, Stores and Inventories

- 9.4.1 The Chief Fire Officer is responsible for the care, custody and appropriate levels of stock, equipment and other moveable assets.
- 9.4.2 Accurate records must be maintained in a format approved by the Section 151 Officer, showing receipts, issues and balances. All stock and inventory items must be verified at least annually, with a certified valuation provided to the Head of Finance.
- 9.4.3 Adjustments for surpluses, deficiencies or disposals (including obsolete or damaged items) must follow the Scheme of Financial Delegation, with disposal methods agreed by the Section 151 Officer. Write-offs must be reported to the Head of Finance and related records updated.
- 9.4.4 Attractive or portable items (e.g., IT equipment) must be clearly marked as Authority property and recorded with key details such as purchase date, cost, location and description.
- 9.4.5 The Section 151 Officer (or delegate) may inspect any site, stock or inventory records at any time.

- 9.4.6 The method of disposal shall be agreed by the Section 151 Officer.
- 9.4.7 If stock, during the financial year, has a value in excess of £1,000, approval by a Principal Officer is required for disposal or write-off.

9.5 Private Use of Facilities

- 9.5.1 The Authority's assets shall not, without the specific authorisation of the Chief Fire Officer, be used for any purpose other than in the discharge of the Authority's functions, including wider community benefits. Where any such other use results in additional cost being incurred or income forfeited by the Authority, the Section 151 Officer should be consulted and the user shall be required to pay to the Authority the full amount of such additional costs or lost income unless after considering a report from the Chief Fire Officer, the Authority decides otherwise.
- 9.5.2 Except in the performance of his/her official duties or in accordance with local Conditions of Service no employee shall have use of the Authority's services or facilities other than on the same terms as a member of the public.

9.6 Asset Acquisitions and Disposals

- 9.6.1 The Chief Fire Officer shall promptly notify the Clerk to the Authority of any acquisition or disposal of land, or interest in land. Negotiations on the Authority's behalf shall be the responsibility of the Clerk to the Authority and the Clerk shall be responsible for making arrangements for the safe registration of land or property owned by the Authority.
- 9.6.2 The Assistant Chief Fire Officer (Finance and Resources) should be informed of any acquisitions, to ensure these items are properly accounted for.
- 9.6.3 The Section 151 Officer and Chief Fire Officer shall approve arrangements for the disposal of property (other than land), obsolete vehicles, plant and equipment, stores, old materials and scrap.
- 9.6.4 Sales of land and/or buildings and the surrender of a lease with a term of five years or more will require Authority approval.
- 9.6.5 The Assistant Chief Fire Officer (Finance and Resources) should be informed of all disposals, to ensure the assets are removed from the Asset Register and accounted for correctly in the Statement of Accounts.

- 9.6.6 Where applicable, details of the disposal proceeds and associated paperwork should be provided to the Assistant Chief Fire Officer (Finance and Resources), to ensure that income received from the disposal of the asset is properly accounted for.

9.7 Asset Leasing and IFRS 16 Compliance

- 9.7.1 Leasing is a method of obtaining the use of an asset which does not involve the formal legal transfer of ownership to the Authority. Leases constitute a long-term legal obligation and must be treated with appropriate financial scrutiny and governance.
- 9.7.2 The Section 151 Officer is responsible for ensuring that a financial assessment of affordability is completed and the expenditure over the lifetime of the lease is within the approved budget and in accordance with the prudential borrowing limits set by the Authority.
- 9.7.3 Proposals to enter into or surrender a lease with a term of 5 years or more will require Authority approval. All leases should be subject to proper approval in accordance with the Scheme of Financial Delegation.
- 9.7.4 A register of all lease arrangements, including lease term, payment schedules, and valuation of right-of-use assets, is maintained by the Head of Finance.
- 9.7.5 In accordance with IFRS 16, all leases (excluding low-value and short-term leases) must be recognised on the balance sheet as a right-of-use asset and a corresponding lease liability. The Section 151 Officer is responsible for ensuring that lease arrangements are assessed for IFRS 16 applicability and that appropriate accounting treatment is applied.
- 9.7.6 Leases must be properly accounted for within the Statement of Accounts and in accordance with the relevant guidance, including the Authority's Capital Strategy and Prudential Indicators.
- 9.7.7 Budget holders must notify the Finance Department of any proposed lease arrangements to ensure compliance with these requirements.

10 Treasury Management

10.1 Capital Strategy

10.1.1 The Authority adopts the CIPFA Code of Practice for Treasury Management in the Public Services and the Prudential Code for Capital Finance in Local Authorities. The Section 151 Officer, in consultation with the Chief Fire Officer, prepares an annual Capital Strategy for Authority approval.

10.1.2 The Strategy provides a high-level overview of how capital expenditure, financing and treasury activity support service delivery, and how risk and sustainability are managed within the Authority's governance framework.

10.2 Treasury Management Strategy & Plan

10.2.1 The Section 151 Officer is responsible for the Treasury Management Strategy and Plan, which sets out the Authority's approach to borrowing, investment of surplus funds and associated risk management.

10.2.2 The Strategy must be approved by the Authority annually before the start of the financial year. The Section 151 Officer monitors compliance throughout the year and reports outcomes to the Authority at year-end.

10.3 Borrowings and Investments

10.3.1 Approval of the Capital Programme and Treasury Strategy by the Authority constitutes authority to borrow for approved projects. The Section 151 Officer is responsible for:

- arranging borrowing and investing surplus funds in line with the Treasury Management Strategy.
- monitoring affordability and sustainability against prudential indicators and reporting any potential breaches.
- maintaining full and accurate records of all borrowing and investments and ensuring safe custody of securities and related documents.

11 Value Added Tax (VAT)

11.1 Records

11.1.1 The Section 151 Officer is responsible for the maintenance of proper VAT records and ensuring that arrangements are in place for returns to Her Majesty's Revenue and Customs (HMRC) in accordance with prescribed regulations.

11.1.2 It is the responsibility of the Section 151 Officer to ensure arrangements are in place to correctly account for VAT.

11.2 Input Tax

11.2.1 Where creditors' invoices include VAT, in accordance with HMRC, the following conditions are satisfied:

- (a) the invoice is a tax invoice.
- (b) for construction industry payments, an authenticated receipt will be obtained.
- (c) for payment made in advance of services/goods being received, a tax receipt will be obtained to enable the necessary adjustments to be made.
- (d) the VAT included on a creditor's invoice is identified and coded correctly; and
- (e) that VAT invoices are processed expeditiously and are not unduly delayed.

11.3 Output Tax

11.3.1 Where services provided are subject to VAT in accordance with HMRC regulations, then proper VAT invoices are raised having due regard to the relevant tax points.

11.3.2 All tax invoices raised are processed expeditiously.

11.3.3 Cash income received, where such income includes VAT, is correctly analysed and processed in the normal way.

11.4 Retention of Documents

11.4.1 All documents identifying VAT transactions, including proof of payment and banking records, must be retained for six years to satisfy the requirements of HMRC.

12 Preventing Financial Irregularities

12.1 Anti-Fraud, Anti-Money Laundering and Corporate Transparency

12.1.1 The Authority expects the highest standards of conduct. Its approach is set out in the Anti-Fraud and Corruption Strategy and the Whistleblowing Policy, which provide confidential routes to report suspected wrongdoing.

12.1.2 The Authority's expectation of propriety and accountability is that Members and Officers, at all levels, will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

12.1.3 The Section 151 Officer is responsible for implementing the Strategy, ensuring proportionate controls, staff awareness and training. Any suspected fraud, bribery or irregularity must be reported immediately to the line manager; where the line manager is below Head of Department, inform the Head of Department, Chief Fire Officer, and Section 151 Officer without delay.

12.1.4 In line with the Economic Crime and Corporate Transparency Act 2023, the Authority is committed to strengthening its controls against fraud, money laundering, and the misuse of corporate structures. The Section 151 Officer shall ensure that:

- All financial transactions are subject to enhanced due diligence where required.
- Supplier and contractor records are verified against Companies House and other relevant registers.
- Suspicious activity is reported in accordance with the Authority's Anti-Fraud and Corruption Strategy and the National Crime Agency's SAR regime.
- All officers involved in procurement, finance, or contract management receive training on identifying red flags related to economic crime.
- The Authority maintains a register of beneficial ownership disclosures where applicable and ensures compliance with new reporting obligations under the Act.

12.2 Donations, Grants to Other Bodies and Contributions

- 12.2.1 Donations, grants and contributions must be approved by the Chief Fire Officer in consultation with the Monitoring Officer or Section 151 Officer. Any amount over £20,000 requires Authority approval.

12.3 Register of Members' Interests

- 12.3.1 The Monitoring Officer ensures procedures for registering Members' interests comply with statute. Declarations are published on the Authority's website.

12.4 Declarations of Interest

- 12.4.1 The Section 151 Officer ensures appropriate arrangements for declarations of interest by senior officers and any employee with a fiduciary interest in an Authority contract. Employees must not act in an official capacity where they, or a close relative, have a personal interest. Forms are maintained by the Head of Finance.

12.5 Gifts and Hospitality

- 12.5.1 Receiving gifts, rewards or hospitality in connection with official duties can be perceived as an inducement. Members and officers must exercise caution and follow guidance in Part 5 of the Constitution.
- 12.5.2 The offer or acceptance of trivial gifts up to a maximum of £25.00 do not need to be declared although Members and staff may wish to do so at their own discretion. All other offers, including those declined must be recorded in the register.
- 12.5.3 A register of Gifts and Hospitality is maintained by the Finance Department. All declarations must be submitted within 28 days; further advice can be sought from the finance team.
- 12.5.4 All staff should conduct themselves with integrity, impartiality and honesty at all times and should maintain high standards of propriety and professionalism.

12.6 Promotional Offers

12.6.1 Promotional offers from suppliers (e.g., gifts, vouchers, hospitality) are the property of the Authority. As a general rule they should not be accepted unless clearly trivial. Seek guidance from the Head of Finance and record all offers, including those declined, in the Gifts and Hospitality register.

12.7 Unofficial Funds

12.7.1 The Chief Fire Officer is responsible for ensuring that all voluntary and unofficial funds held, where money and/or assets are handled by an employee in the course of their employment or office, which have not been issued by the Authority, are properly administered and audited annually.

12.7.2 The Authority will not supervise the financial administration nor audit unofficial funds and accepts no liability for any loss. Those operating the funds have an overall financial responsibility to ensure that proper financial stewardship is observed. This includes:

- a Section 151 Officer and an independent examiner are formally appointed
- proper rules are operated to maintain adequate standards;
- adequate records and procedures are maintained;
- regular reports on fund transactions and balances are received and checked against bank statements;
- annual statements of income and expenditure and fund balances are prepared and subject to independent examination;

12.7.3 It is the responsibility of those operating or intending to operate the Fund to:

- notify the Head of Finance of details of the fund as soon as this is set up;
- provide an independent annual examination certificate for the fund to the Head of Finance within three months of the end of the financial year, showing at least opening and closing balances and total income and expenditure;
- The Section 151 Officer reserves the right to inspect the accounts and records of such funds as necessary.

Appendix 1

Responsibility Matrix

Activity	Fire Authority	Chief Fire Officer	Section 151 Officer	Monitoring Officer	Assistant Chief Fire Officer (Finance & Resources)	Head of Department
Strategic Activity						
Approve the Financial Regulations	X					
Make strategic decisions which impact on the financial performance and position of the Authority's MTFS	X					
Prepare the Medium-Term Financial Strategy (MTFPS)		X	X		X	
Approve the MTFS, annual budget and levy	X					
Approve the terms under which banking services are provided	X					
Approve the Reserves Strategy	X					
Approve the Treasury Management Strategy and Capital Plan	X					
Revenue and Capital Budgeting						
Ensure that any Revenue or Capital budget bids considered significant by the Section 151 Officer are fully costed and completed using the required templates.						X
Prepare the draft Revenue Budget and Capital Programme (Budget) and calculate the draft levy.			X			
Report on the robustness of the estimates used in the budget, and the adequacy of the Authority's reserves for which the budget provides as part of the budget approval process			X			
Monitor and review the Reserves Strategy			X			
Approve the Revenue Budget, Capital Programme and levy.	X					
Consider any additional items of expenditure which would lead to new or significant variation in policy.	X					

Delegation of and Management of Revenue and Capital Budgets						
Maintain a scheme of Financial Delegation which includes limits to individual officers' approval and ensures that all revenue and capital budgets are allocated to a HOD. Budget delegation below HOD will be at HOD discretion, but the HOD will retain responsibility for the budget.		X	X		X	
Ensure appropriate delegation of budget management takes place and ensure budget managers have regular reports to help them effectively manage budgets.					X	
Plan to spend budgets in accordance with the Authority's objectives and effectively control the spending within budget						X
Provide timely and accurate financial monitoring information			X			
Regularly monitor budgets and consider how to deal with any variances					X	X
Report financial performance to Members at least quarterly			X			
Consider performance against the budget and capital programme regularly	X					
Statutory Accounts						
Prepare the statutory accounts of the Authority (including certifying the draft accounts by the end of the May following the yearend)			X		X	
Approve the statutory accounts by the end of September following the year end	X					
Treasury Management						
Appoint the Authority's bankers	X					
Ensure that adequate Treasury Management practices are in place, including arranging any necessary loans or investments in accordance with Cash Flow forecasts			X			
Prepare and manage the annual Treasury Management Strategy and Capital Plan including approval of and monitoring of Prudential Indicators			X			
Approve the annual Treasury Management Strategy	X					

Financial Management and Control						
Convene and chair the Senior Leadership Team which consists of Senior Officers and considers financial matters including budget monitoring		X				
Offer advice on all financial matters			X		X	
Ensure the provision of financial services including the payment of invoices, financial information, imprest accounts, and the collection of income			X			
Ensure the provision a payroll and pensions service					X	
Ensure suitable financial and control systems are in place, including financial procedures			X			
Ensure assets are effectively managed			X			X
Ensure tendering procedures are in place and followed			X			X
Ensure that all financial transactions pass through the Authority's financial system.						X
If requested, provide the Chief Fire Officer, Section 151 Officer, Assistant Chief Fire Officer (Finance & Resources), and External or Internal Auditor with access to any document or record under their control.						X
Ensure that all officers who are responsible for any financial activity receive appropriate induction and training					X	X
Ensure that that financial aspects of joint arrangements and partnerships are effectively managed.		X	X	X		X
Ensure a suitable Risk Management process is in place for financial risks		X				
Ensure that the Authority has appropriate Insurance arrangements in place.					X	

Statutory functions						
Ensure that the Authority meets its statutory and regulatory requirements (which includes the Accounts and Audit regulations; the Local Authority Accounting Code of Practice; the Code of Practice for Treasury Management; and the Internal Audit Code of Practice)	x	x advisory	x			
Fulfil the responsibilities of a Chief Finance Officer under Section 151 of the Local Government Act 1972, and function as Section 151 Officer to the Authority			x			
Fulfil the duties of a Chief Finance Officer under Section 114 of the Local Government Act 1988			x			
Appoint a deputy Section 151 Officer		x				
Maintain an effective internal audit function	x		x			

Document Control Information:

Policy title:	Financial Regulations
Policy owner: (role)	Assistant Chief Fire Officer (Finance and Resources)
Author: (Name)	Head of Finance
Authoriser: (role)	Fire and Rescue Authority
Issue status:	Updated – for approval
Protective marking:	-
Issue date:	TBC
Next review due:	TBC
Audience:	For Audit Committee and FRA
Version Number:	3.0

Distribution History:

Date	Version No	Distributed to: (role/s or group/s)
September 2014	1	Public
March 2022	2	Public
July 2025	3.0	Changes following draft review by HoF, submitted to A/C for approval
XXX	3.1	FRA for approval
XXX	3.2	Public document