



## FINANCE AND PROCUREMENT

### FINANCIAL REGULATIONS

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**SCOTTISH**  
**FIRE AND RESCUE SERVICE**

Working together for a safer Scotland

# FINANCE AND CONTRACTUAL SERVICES

## FINANCE AND PROCUREMENT

### FINANCIAL REGULATIONS

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## **1. INTRODUCTION**

- 1.1 The main purpose of the Scottish Fire and Rescue Service (the SFRS) is to work in partnership with communities and with others in the public, private and third party sectors, on prevention, protection and response, to improve the safety and wellbeing of people throughout Scotland.
- 1.2 In order to conduct its business efficiently, the Service must have sound financial management policies that are strictly adhered to. The requirement for sound financial management is a requirement contained within the Government Financial Reporting Manual (FReM) and the Scottish Public Finance Manual (SPFM).
- 1.3 The FReM is the technical accounting guide to the preparation of financial statements. It complements guidance on the handling of public funds published separately by the Scottish Government (SG), the SPFM. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, and emphasises the need for economy, efficiency and effectiveness, and promotes good practice and high standards of propriety.

## **2. ROLES AND RESPONSIBILITIES**

### **2.1 Scope of Financial Regulations**

- 2.1.1 The financial regulations provide the framework for managing the Service's financial affairs. They apply to every Board member and officer of SFRS and anyone acting on its behalf. Additionally, all board members and officers have a general responsibility to ensure that the use of the Service's resources is legal, properly authorised and provides value for money.

2.1.2 The Financial Regulations should be read in conjunction with the Governance and Accountability Framework Document, the Interim Scheme of Delegation and also the Code of Conduct for Board Members of Public Bodies.

## **2.2 SFRS Board**

2.2.1 The Board, including the Chair, consists of non-executives appointed by the SG Ministers in line with the Code of Practice for Ministerial Public Appointments in Scotland. The Board is free to establish its own committee structure and delegate responsibilities to such committees as it considers fit. As a minimum, the Board will establish an Audit and Risk Assurance Committee to advise the Board and the Accountable Officer.

2.2.2 The Board also has corporate responsibility for ensuring that effective arrangements are in place to provide assurance on risk management, governance and internal control, setting up an Audit and Risk Assurance Committee chaired by a non-executive member to provide independent advice and assurance on the effectiveness of the internal control and risk management systems.

## **2.3 Chair of the Board**

2.3.1 The Chair is accountable to the Scottish Ministers for the SFRS's performance and strategic leadership. He or she, together with the other board members should have received appropriate knowledge/training on financial management and reporting requirements.

## **2.4 Individual Board Members**

2.4.1 The Board must ensure that the SFRS has processes and systems in place to ensure compliance with the SPFM. Board members should look to the staff of the

SFRS for advice and assurance that the SPFM is being complied with but should be aware of the areas covered by the SPFM and have access to a copy for reference purposes.

2.4.2 Board members should also be aware of the need for the SFRS to continually secure best value in the performance of its functions.

2.4.3 The principles contained within the Code of Conduct for Board Members of Public Bodies also governs the actions of Board Members and should also be referred to.

## **2.5 SFRS Chief Officer**

2.5.1 The Chief Officer is the designated Accountable Officer for the SFRS. The responsibilities of the Accountable Officer are to ensure that the use of resources by the SFRS, and any decisions taken by it, comply with public sector accountability standards, both through advice to the Board and in decisions taken on his/her own authority.

2.5.2 The responsibilities of the Accountable Officer are set out in detail in the Memorandum to Accountable Officers for Other Public Bodies.

## **2.6 Acting Director of Finance and Procurement**

2.6.1 The Acting Director of Finance and Procurement is responsible for the management of SFRS's financial services and for the administration of its financial affairs and will advise the Chief Officer on all financial matters.

2.6.2 The Acting Director of Finance and Procurement is responsible for maintaining a continuous review of the Financial Regulations, including the financial limits contained within the Specific Financial Delegated Authority and the Interim Scheme of Delegation and submitting any changes to the Board for approval.

2.6.3 The Acting Director of Finance and Procurement is also responsible for issuing procedures, guidance and advice to underpin the Financial Regulations, and for investigating any breach of the Regulations.

2.6.4 Any breach of the Regulations that is deemed to be significant must be brought to the attention of the Chief Officer.

## **2.7 Strategic Leadership Team (SLT)**

2.7.1 Members of the SLT are responsible for ensuring that all staff within their areas are aware of and comply with the Financial Regulations.

2.7.2 Any breach or non-compliance must, on discovery, be reported immediately to the Acting Director of Finance and Procurement.

## **2.8 Scottish Ministers**

2.8.1 The Scottish Ministers are accountable to the Scottish Parliament and ultimately to the public for the activities of the SFRS and its use of resources, determining its objectives and funding, and being kept apprised of any significant issues affecting the SFRS.

2.8.2 Scottish Ministers will agree the budget and the associated grant in aid requirement to be paid to the SFRS; and secure the necessary Parliamentary approval through the annual Budget Act process.

2.8.3 The Scottish Ministers will lay the annual accounts before the Parliament in a timely manner.

### **3. FINANCIAL MANAGEMENT AND PLANNING**

#### **3.1 General Accounting Framework**

3.1.1 The Acting Director of Finance and Procurement will ensure that adequate systems of accounting control are maintained throughout the SFRS and that all employees conform with legislation, Board policy and procedures on these matters.

3.1.2 Systems of accounting control must ensure that as far as possible:

- All income due to the SFRS is properly collected and recorded,
- All expenditure of the SFRS is properly incurred, authorised and checked,
- All cash, stocks and other assets of the SFRS are secured and controlled.

3.1.3 It is the responsibility of the Acting Director of Finance and Procurement to ensure that appropriate procedures and instructions are issued for:

- Preparing the annual and medium term resource and capital budgets,
- Budget monitoring,
- Producing financial management information,
- Completion of the Annual Statement of Accounts.

#### **3.2 Advice to the Board**

3.2.1 All reports to the Board, including committees must specifically identify the extent of any financial implications.

3.2.2 The report must clearly identify any costs or income that would arise in the current and future financial years, whether these are of a capital or revenue nature, and whether or not such resources are included in the Budget. If

budgetary provision has not been made, the report must indicate how and from where it is proposed that such financial resources be obtained.

- 3.2.3 Where a report contains financial implications, it must include confirmation that the Acting Director of Finance and Procurement has verified the financial content of the report.

### **3.3 Medium Term Financial Strategy**

- 3.3.1 The Acting Director of Finance and Procurement is responsible for maintaining a Medium Term Financial Strategy that is approved annually by the Board.

### **3.4 Resource Budget Preparation**

- 3.4.1 The detailed form and timetable to be followed in respect of the Resource Budget will be determined by the Acting Director of Finance and Procurement in consultation with the Chief Officer subject to any direction of the Board or any of its committees.
- 3.4.2 The Acting Director of Finance and Procurement, on behalf of the Chief Officer, is responsible for ensuring that a resource budget is presented annually to the Board for approval.
- 3.4.3 All members of SLT will be consulted in relation to the resource budget proposals for inclusion in the annual resource budget.
- 3.4.4 The annual resource budget submission will be endorsed by SLT before being presented to the Board.
- 3.4.5 The Chief Officer will delegate the day to day management of the Resource Budget to the Acting Director of Finance and Procurement.

- 3.4.6 The responsibility for providing the services included in the Resource Budget will lie with the Chief Officer subject to any relevant decisions made by the Board.
- 3.4.7 The responsibilities of devolved budget holders, including scope for virement, are outlined within the Devolved Budget Holder Policy, issued by the Acting Director of Finance and Procurement.

### **3.5 Capital Budget Preparation**

- 3.5.1 The Acting Director of Finance and Procurement, on behalf of the Chief Officer, is responsible for ensuring that a rolling 3-year capital programme is presented annually to the Board for approval.
- 3.5.2 All members of SLT will be consulted in relation to capital budget proposals for inclusion in the capital budget.
- 3.5.3 The annual capital budget submission will be endorsed by SLT before being presented to the Board.
- 3.5.4 The annual capital budget must include the total estimated capital cost of the project(s) including fees, furniture and equipment and other ancillary costs and should highlight estimated future resource implications or savings
- 3.5.5 It will be the responsibility of the Chief Officer to ensure that capital expenditure does not exceed the sum approved for the project(s) in the capital budget. The Chief Officer is authorised to approve the transfer of resources between capital projects, up to a maximum of £1million, to accommodate variations between estimated and actual costs and project delays, subject to the total expenditure being contained within the overall capital programme for that year. However, authorisation must be sought from the Board to substantially change the nature of

a project from that envisaged when the Capital Programme was approved, or to transfer resources in excess of £1million.

3.5.6 The Chief Officer may, where appropriate, advance expenditure from a future year of the Capital Programme, subject to such expenditure being contained within the Programme total for that year.

3.5.7 The funding of capital projects is contained within the Service's Departmental Expenditure Limit (DEL) advised by the SG. Capital funding in any year can be increased by a corresponding reduction in the resource budget for that year, subject to Scottish Government approval, but not vice versa.

3.5.8 Any additional sources of capital funding will be subject to Scottish Government approval.

### **3.6 Delegated Authority**

3.6.1 The SFRS's Specific Delegated Financial Authority is set out in the Governance and Accountability Framework Document. The SFRS will obtain the SG's prior written approval before entering into any undertaking to incur any expenditure that falls outside these delegations or which is not provided for in the SFRS's annual budget allocated by the Scottish Ministers.

3.6.2 The SFRS will require prior approval from SG before incurring expenditure for any purpose that is or might be considered novel, contentious or repercussive or which has or could have significant future cost implications.

### **3.7 Authorisation to Incur Expenditure**

3.7.1 Approval of the Resource or Capital budget for any particular year confers upon the Chief Officer the necessary authority to incur expenditure, subject to

compliance with procurement regulations, as outlined within the Standing Orders Relating to Contracts; compliance with the financial procedures and controls contained within these Regulations; and is limited by the provisions of the Interim Scheme of Delegation.

3.7.2 The Chief Officer is responsible for ensuring that any expenditure incurred is within the legal powers of the Board.

3.7.3 Single items of expenditure on supplies, goods, materials or services not exceeding limits contained with the Standing Orders Relating to Contracts, may require competitive quotations and such expenditure will be subject to relevant advertising as considered necessary by the Chief Officer.

3.7.4 In situations, which in the opinion of the Chief Officer constitutes an emergency, where there is a requirement to incur expenditure for a purpose that is outwith the delegated authority of the Chief Officer, the Chief Officer is authorised to incur the necessary expenditure in consultation with the Chair and thereafter report to the Board.

### **3.8 Devolved Budget Holders**

3.8.1 Financial responsibility will be devolved to Directors and Area Managers (including LSOs) / Heads of Function in order to achieve effective control of financial resources.

3.8.2 Each Director and Area Manager / Head of Function will have authority to incur expenditure included in the approved resource budget for the services for which he or she is responsible up to the level of the allocated budget provision, within the terms of the Devolved Budget Holder Policy.

### **3.9 Budget Monitoring**

- 3.9.1 The Acting Director of Finance and Procurement is responsible for managing and controlling the resource and capital budgets approved by the Board, in accordance with these Financial Regulations.
- 3.9.2 The Acting Director of Finance and Procurement will furnish the Chief Officer and SLT with regular up-to-date information on actual expenditure and income compared with the approved Resource and Capital Budgets.
- 3.9.3 The Chief Officer will present periodically to the Board, Monitoring Reports in respect of both the Resource Budget and the Capital Budget that compares actual expenditure with budgeted expenditure and highlight any significant variances. The Board will be entitled to seek explanations for any figures in the cost comparison.
- 3.9.4 The Chief Officer is responsible for ensuring that timely forecasts and monitoring information on performance and finance are provided to the SG and that the SG are notified promptly of any material over or underspends that are likely and what corrective action is to be taken.
- 3.9.5 The Acting Director of Finance and Procurement is responsible for providing devolved budget holders with appropriate financial information to enable budgets to be monitored effectively.
- 3.9.6 The responsibilities placed on all devolved budget holders in respect of budget monitoring and variance reporting are contained within the Devolved Budget Holder Policy issued by the Acting Director of Finance and Procurement.
- 3.9.7 Specific responsibilities in relation to devolved capital budgets are contained within the Capital Budget Policy issued by the Acting Director of Finance and Procurement.

### **3.10 Statement of Annual Accounts**

- 3.10.1 The Acting Director of Finance and Procurement is responsible for the preparation of the Statement of Annual Accounts, for each financial year ended 31 March. The Statement of Accounts must comply with the SG's Financial Reporting Manual (FRoM) and any financial objectives or targets set by the SG should be reported on within the Accounts.
- 3.10.2 The Chief Officer is responsible for ensuring that the Statement of Annual Accounts are presented to the Board for approval to submit to the Scottish Ministers for laying before the Scottish Parliament.
- 3.10.3 The Acting Director of Finance and Procurement must arrange for the Statement of Annual Accounts to be submitted in draft format to the SG for comment by (date still to be confirmed).
- 3.10.4 Once the Statement of Annual Accounts has been laid before the SG the Acting Director of Finance and Procurement will be responsible for the publication of the Accounts.

## **4. RISK MANAGEMENT AND CONTROL OF RESOURCES**

### **4.1 Internal Control**

- 4.1.1 It will be the responsibility of the Chief Officer to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with law and regulations.

4.1.2 The Audit and Risk Assurance Committee has a responsibility to ensure that effective risk management systems and a risk management strategy are in place, as part of a sound system of corporate governance.

4.1.3 The Deputy Chief Officer is responsible for developing and maintaining a Corporate Risk Register in accordance with the Risk Management Strategy.

## **4.2 Custody and Security of Assets**

4.2.1 The general security of the Service's accommodation will be the responsibility of the Chief Officer in accordance with the Interim Scheme of Delegation. In pursuit of this requirement, the Chief Officer is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, etc. under his or her control, including that owned by third parties, and will consult the Chair as appropriate in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

4.2.2 The SLT must ensure that proper contingency planning arrangements are in place for all critical services and systems.

4.2.3 The Director of Service Development must ensure that all computer systems are backed up at appropriate intervals and that back up media are held securely.

4.2.4 Financial records and information will be held in accordance with retention periods laid down by the Deputy Chief Officer and in compliance with legislative requirements in relation to Data Protection and Freedom of Information.

4.2.5 The Acting Director of Finance and Procurement will maintain an accurate and up-to-date record of current and non-current assets.

- 4.2.6 The Legal Services Manager will have custody of all title deeds held by SFRS under secure arrangements agreed by the Chief Officer.
- 4.2.7 The Acting Director of Finance and Procurement will determine the maximum limit of cash holding permitted at each location.
- 4.2.8 The handling of all cash on SFRS premises must be in accordance with cash handling procedures issued by the Acting Director of Finance and Procurement.
- 4.2.9 SFRS property must not be removed from SFRS premises other than for SFRS purposes except in accordance with the specific direction and approval of the Chief Officer.

### **4.3 Inventories**

- 4.3.1 The Acting Director of Finance and Procurement must make arrangements for inventory lists to be drawn up. These should include office equipment, furnishings, plant and machinery, and any other valuable property. As a guide, a purchase price of £200 may be used to determine if an item should be included on an inventory list. Other factors such as attractiveness and portability should, however, also be taken into consideration.

### **4.4 Stocks and Stores**

- 4.4.1 The Acting Director of Asset Management is responsible for the control of all stocks and stores, and must ensure that:
- stock is securely stored;
  - stock levels are maintained at the minimum level required to meet operational requirements;

- stock records are sufficient and reliable taking into consideration the value and risks associated with the stock;
- stock is counted at least once per year and checked by a person independent of the day to day administration of the stock.

4.4.2 All members of SLT are responsible for ensuring that stocks and inventories under their control are held securely and are subject to periodic checking (at least annually) in accordance with procedures issued by the Acting Director of Finance and Procurement.

4.4.3 All stock write-offs must be authorised in writing by a manager independent of the day to day administration of the stock. The Acting Director of Finance and Procurement should consider the value of individual stock items held in making arrangements for such write-off.

## **4.5 Disposal of Assets**

4.5.1 Fixed asset disposal should be done in accordance with the Interim Scheme of Delegation and also the SPFM guidance on the Disposal of Property, Plant and Equipment.

4.5.2 In accordance with the SPFM the holding of property, plant and equipment should be kept under constant review by the SLT with a view to disposing of surplus assets as quickly as possible.

4.5.3 The Chief Officer should ensure that assets sold on the open market should normally be disposed of at market value as defined in the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards.

4.5.4 The Chief Officer should ensure that other plant and equipment assets which are surplus to requirements should normally be sold by public auction or tender.

Payment should normally be required to be made before goods are released for collection or delivery.

## **4.6 Banking Arrangements**

- 4.6.1 The Acting Director of Finance and Procurement is responsible for ensuring that arrangements are made for the provision of banking services for SFRS and that they comply with the SG requirements.
- 4.6.2 The Acting Director of Finance and Procurement will make arrangements regarding the opening of all SFRS bank accounts and the use of banking services in the name of SFRS.
- 4.6.3 The SFRS will have their core bank account with the Government Banking Service (GBS) which should be used for the receipt of funding and the processing of all main payments and receipts.
- 4.6.4 The Chief Officer may give authority for a commercial bank account to be opened where there is a distinctive business need that cannot be met by the GBS bank account or where there is a separate contractual reason for doing so. Petty cash bank accounts will be administered in this way. Two signatures must be required to authorise payments from a commercial bank account.
- 4.6.5 Balances in commercial bank accounts should be kept to the minimum consistent with the principles of not providing funding in advance of need and avoiding accounts being overdrawn.
- 4.6.6 All monies received as income will be paid into the SFRS's Bank Account daily or at such other intervals as arranged with the Acting Director of Finance and Procurement.

4.6.7 Any cheques issued from the Service's main bank account with the GBS will bear the signature or the facsimile of the Head of the Government Banking Scheme. In relation to commercial bank accounts all cheques will require to be signed by two signatories in accordance with the Service's authorised signatories list.

#### **4.7 Authorised Signatories**

4.7.1 The Acting Director of Finance and Procurement is responsible for ensuring that an up to date list of authorised signatories is maintained, together with specimen signatures, in relation to the authorising of expenditure and access to financial systems.

#### **4.8 Internal Audit**

4.8.1 An independent internal audit service will be arranged to carry out a continuous review and appraisal of the internal controls of the Service and prepare such reports on these as may be required or appropriate.

4.8.2 The Chief Officer will make arrangements to forward promptly to the SG the audit charter, strategy, periodic audit plans and annual audit assurance report, including the Service's Head of Internal Audit's opinion on risk management, control and governance and other relevant reports as requested.

4.8.3 Internal Auditors have authority, on production of identification, to:

- enter at all reasonable times any SFRS premises or land;
- access any records, documents, correspondence and any data held on computer storage media;
- request and receive such explanations as are necessary concerning any matter under examination; and

- request any officer to produce cash, stores or any other SFRS property under their control or to which they have access.

4.8.4 The Internal Audit provider is reportable to the Accountable Officer and to the Chair of Audit and Risk Assurance Committee. The Risk and Audit Manager will manage the day to day relationship with the Internal Audit provider, overseen by the Acting Director of Finance and Procurement.

4.8.5 An annual audit plan will be presented to the Audit and Risk Assurance Committee for endorsement. It will be derived from the strategic audit plan and from consultation with the SLT, External Auditors, Internal Auditors and any additional reviews of strategic audit risks.

## **4.9 External Audit**

4.9.1 The Auditor General for Scotland (AGS) will audit, or appoint auditors to audit, the SFRS's annual accounts and pass them to the Scottish Ministers who will lay them before the Scottish Parliament, together with the auditor's report and any report prepared by AGS. For the purpose of audit the auditors will have a statutory right to access documents and information held by relevant persons. The SFRS will instruct its auditors to send copies of all management reports and responses to the SG.

4.9.2 External Auditors have authority, on production of identification, to:

- enter at all reasonable times any SFRS premises or land;
- access any records, documents, correspondence and any data held on computer storage media;
- request and receive such explanations as are necessary, within reasonable timescales, concerning any matter under examination; and
- request within reasonable timescales, any officer to produce cash, stores or any other SFRS property under their control or to which they have access.

#### **4.10 Prevention of Fraud, Corruption and Bribery**

- 4.10.1 The Chief Officer is responsible for identifying and managing the risk of fraud and corruption, for ensuring that appropriate risk management, internal control, and governance arrangements are in place, and for ensuring that best value is achieved.
- 4.10.2 The SFRS should adopt and implement policies and practices to safeguard itself against fraud and theft.
- 4.10.3 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, equipment or other property of SFRS or any suspected irregularity in the exercise of the functions of the Service, the Acting Director of Finance and Procurement will immediately inform the Chief Officer and they will agree the steps as may be considered necessary by way of investigation and report. The Acting Director of Finance and Procurement will also inform Internal Audit and the Chair of Audit and Risk Assurance Committee.
- 4.10.4 The Chief Officer will make arrangements to keep records of, and prepare and forward promptly to the SG an annual report on fraud and theft suffered by the Service and notify the SG at the earliest opportunity of any unusual or major incidents.
- 4.10.5 All employees will be required to comply with the SFRS's Fraud Policy.

#### **4.11 Cash Security**

- 4.11.1 The Acting Director of Finance and Procurement must be advised of all new circumstances within the Service where cash is held or is otherwise under the control of officers of the Service. The Acting Director of Finance and

Procurement will ensure that the minimum level of cash is held subject to the practicalities of individual circumstances.

4.11.2 The transfer of cash or incoming cheques from one officer to another should be evidenced by a receipt or written record.

4.11.3 The Acting Director of Finance and Procurement is responsible for the security of safes and similar receptacles. Access must be controlled and limited, and security should be as tight as practical.

4.11.4 All cash collection and cash accounting records should be examined and checked by a second officer as per the cash handling procedures issued by the Acting Director of Finance and Procurement. Particular care must be taken to implement proper controls in all locations where officers are required to collect and handle cash, in order to protect those individuals from suspicion or accusation.

## **4.12 Borrowing**

4.12.1 Any borrowing by SFRS (excluding agreed overdrafts) will be from Scottish Ministers, with the prior approval of the SG, in accordance with guidance in the Borrowing, Lending and Investment section of the SPFM.

4.12.2 The Service will not make any financial investments without prior approval of the SG.

4.12.3 Any lending by SFRS will adhere to the guidance in the Borrowing, Lending and Investment section of the SPFM on undertaking due diligence and seeking to establish a security.

4.12.4 Unless covered by a specific delegated limit the SFRS will not, without the SG's prior approval, lend money, charge any asset or security, give any guarantee or

indemnity or letter of comfort, or incur any other contingent liability, whether or not in a legally binding form.

#### **4.13 Hospitality**

- 4.13.1 The Chief Officer will be entitled to extend hospitality, subject to adequate Resource Budget provision, in accordance with the Interim Scheme of Delegation.
- 4.13.2 Reasonable hospitality extended to SFRS employees by current or prospective clients, customers or suppliers, is an accepted practice, but the acceptance of excessive hospitality or gifts, other than mere tokens, goes beyond what is proper for a public official, regardless of whether such gifts actually do, or are intended to, influence him or her in an official capacity. Acceptance of gifts must be within the terms outlined in the Bribery Statement and any such hospitality or gifts must be recorded in a register kept for the purpose by the Acting Director of Finance and Procurement.
- 4.13.3 Subject to 4.13.2, gifts may only be accepted by employees provided that they fall within the terms of the ITEPA 203 section 324 which details what are chargeable benefits. Any gift given to an employee as a representative of SFRS is deemed to automatically belong to SFRS and will not be retained for personal use unless with the explicit written consent of the Chief Officer.
- 4.13.4 Hospitality or gifts received by members of the Board must be dealt with in accordance with the Code of Conduct for Board Members of Public Bodies and must be recorded in a register kept for the purpose by the Chief Officer.

## **5. FINANCIAL SYSTEMS AND PROCEDURES**

### **5.1 Income**

- 5.1.1 The recovery and collection of all money due to the Board is undertaken in accordance with procedures issued by the Acting Director of Finance and Procurement. The procedures cover the issuing of accounts, recording of income, cash handling, personal cheques and the supply of receipts.
- 5.1.2 The Acting Director of Finance and Procurement will review annually all charges for services rendered, taking account of inflationary pressures, and make recommendations to the Board for approval.
- 5.1.3 The SFRS will seek to optimise income (grant in aid does not qualify as income) from all sources, including the European Union and ensure that the SG is kept informed. Novel or contentious proposals for new sources of income or methods of fundraising must be approved by the SG.
- 5.1.4 All members of SLT must ensure, where services have been rendered, that:
- accurate information is provided promptly to the Acting Director of Finance and Procurement to enable accounts to be issued;
  - all money received by the Service is paid directly into the SFRS's bank account;
  - any other relevant information is passed promptly to Acting Director of Finance and Procurement to establish income due to SFRS.
- 5.1.5 No deduction may be made from sums owed unless authorised by the Acting Director of Finance and Procurement.
- 5.1.6 No personal cheques will be cashed out of monies held by the SFRS.

- 5.1.7 Any arrangement for payment of an account by instalments must be authorised by the Acting Director of Finance and Procurement.
- 5.1.8 In respect of recurrent income, the Acting Director of Finance and Procurement will maintain registers, issue accounts and collect same.
- 5.1.9 The Acting Director of Finance and Procurement, in consultation with the Chief Officer, may write off irrecoverable debts up to a value of £1,000. An irrecoverable debt is one where there is no reasonable prospect of recovery and once formally written off, no active pursuit of the debt will normally be undertaken. An audit trail of information will be maintained.
- 5.1.10 Debts over £1,000 may only be written off after due consideration by, and approval of the Board and SG.
- 5.1.11 Debts deemed irrecoverable from a sequestration or liquidation order may be written off by the Chief Officer, regardless of the value of the debt and reported as such to the Board.

## **5.2 Salaries and Pensions**

- 5.2.1 The Acting Director of Finance and Procurement is responsible for ensuring appropriate arrangements are in place for processing and payment of all salaries, pensions, compensation and other emoluments to all employees, former employees, and other beneficiaries.
- 5.2.2 All documents, including electronically generated documents which form the basis of a payment, must be signed by the person completing the form and certified by an authorised signatory(s) as required. The completing and certifying signatures can be either manual or electronic. In the case of electronic signatures and certification, the Acting Director of Finance and Procurement must keep up to date records of

the names and designations of officers authorised to complete and certify electronic documents, and review these again on at least an annual basis.

5.2.3 The certifying officer must be satisfied that:

- forms and claims have been completed fully and accurately;
- claims are valid;
- claims are not excessive or anomalous;
- in the case of overtime claims, the officer was authorised to work the additional hours and they were actually worked.

5.2.4 The Director of People and Organisational Development will notify the Acting Director of Finance and Procurement as soon as possible and in the form prescribed by him or her, of all matters affecting the payment of such emoluments and, in particular:

- appointments, resignations, dismissals, suspensions, secondments and transfers;
- absences from duty for sickness or other reason, apart from approved leave;
- absences from duty not covered by the appropriate medical certificate;
- changes in remuneration, other than normal increments and pay awards and agreements of general application;
- information necessary to maintain records of service for superannuation, income tax, etc.

5.2.5 The Director of People and Organisational Development will ensure that arrangements are in place to promptly notify the Acting Director of Finance and Procurement of pay awards due in respect of all relevant negotiating bodies.

5.2.6 Heads of Departments/Functions will ensure that pay documents are submitted in accordance with the timetable in place, issued by the Acting Director of Finance and Procurement.

5.2.7 The Acting Director of Finance and Procurement is responsible for remitting all payroll deductions, both statutory and voluntary to the relevant parties in accordance with the required timescales.

### **5.3 Allowances and Expenses**

5.3.1 The Acting Director of Finance and Procurement is responsible for ensuring appropriate arrangements are in place for the payment of authorised travelling, subsistence and other expenses to employees.

5.3.2 Heads of Departments/Functions will ensure that claims for reimbursement of expenses are submitted in accordance with the timetable and procedure issued by the Acting Director of Finance and Procurement.

5.3.3 Heads of Departments/Functions are responsible for ensuring that:

- claims for expenses are submitted in accordance with conditions of service, SFRS policies and other statutory provisions;
- claims are certified by an appropriate authorised signatory, whereby the certifying officer is satisfied that the journeys were authorised and the expenditure was properly and necessarily incurred.

5.3.4 No individual may authorise their own personal expense claim.

5.3.5 As far as practicable, all claims for expenses will be reimbursed through the payroll system. Such payments will not be made from petty cash imprest accounts without the express authority of the Acting Director of Finance and Procurement.

## 5.4 Orders for Goods, Works and Services

5.4.1 An official order will be issued for all goods, works and services to be supplied to the Board except for:

- Supply of utility services;
- Periodic payments such as rent and rates, subscriptions and maintenance agreements;
- Petty cash purchases;
- Purchases made using credit cards or procurement cards as approved by the Acting Director of Finance and Procurement, in accordance with the agreed policy on the use of procurement cards;
- Other exceptions as agreed by the Acting Director of Finance and Procurement, subject to the provisions of the Standing Orders Relating to Contracts.

5.4.2 Orders for items subject to contract will be placed with the contracted supplier.

5.4.3 Heads of Departments/Functions are responsible for ensuring that orders are duly authorised within their area.

5.4.4 Where an official order is authorised or tender or offer accepted, the certifying officer must be satisfied that:

- the expenditure is within the SFRS's legal powers to incur;
- all relevant procurement regulations, Standing Orders, Practice Notes and contractual arrangements have been adhered to;
- there is budgetary provision for the expenditure.

5.4.5 The form of official orders or written acceptance of tenders will be in accordance with procedures issued by the Acting Director of Finance and Procurement.

5.4.6 Any use of electronic procurement will be in accordance with procedures issued by the Acting Director of Finance and Procurement.

## **5.5 Payment of Invoices**

5.5.1 Apart from petty cash payments and other payments of imprest/advances, the normal method of payment of money due from the SFRS will be by electronic funds transfer. Authorisation of electronic funds transfer will be the responsibility of Acting Director of Finance and Procurement, Head of Finance, Accounting Manager or Decision Support Manager.

5.5.2 All invoices must be certified by an authorised signatory.

5.5.3 Invoices authorised for payment must be passed for processing without delay to ensure that the SFRS's payment terms are complied with.

5.5.4 Payment must not be made prior to the receipt of goods, works or services without the approval of the Acting Director of Finance and Procurement.

5.5.5 It is the responsibility of the certifying officer who places an order to ensure that all goods, works and services received are as ordered in respect of price, quality and quantity.

5.5.6 The certifying officer will authorise an invoice for payment when they are satisfied that:

- the goods, works or services to which the invoice relates have been received or carried out satisfactorily and are in accordance with the order;
- the price is correct in relation to the contract;
- financial ledger codes have been correctly assigned to the invoice;

- the invoice has not previously been passed for payment and is a genuine liability of SFRS.

5.5.7 All cheques, excluding those drawn on authorised imprest accounts, are printed only on the authority of the Acting Director of Finance and Procurement who makes proper arrangements for their ordering, issuing and safe custody.

5.5.8 Cheques drawn on the Services main bank account must bear the facsimile signature of the Head of Government Banking Scheme.

## **5.6 Lease Arrangements**

5.6.1 Unless covered by a specific delegated financial limit as defined in the Governance and Accountability Framework, the SFRS will not, without the SG's prior approval enter into a lease arrangement.

## **5.7 Petty Cash**

5.7.1 The Acting Director of Finance and Procurement may provide cash advances (imprest accounts) at various locations for the purpose of defraying petty expenses that will be secured and operated in accordance with cash handling procedures issued by the Acting Director of Finance and Procurement.

5.7.2 The Acting Director of Finance and Procurement is responsible for opening any commercial bank accounts deemed necessary in respect of imprest accounts.

5.7.3 Imprest accounts must not be used to pay any major expense or any supplier's invoice.

5.7.4 Under no circumstances will income received on behalf of the Board be paid into an imprest bank account or be used to replenish a petty cash imprest account.