



HUMBERSIDE FIRE AND RESCUE SERVICE

Finance & Procurement

Finance Policy

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Responsible Person	Head of Finance
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What we must
do well



How we support our
communities



We value and support
the people we employ



We efficiently manage
the Service

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1. INTRODUCTION

Humberside Fire & Rescue Service (HFRS) is a public sector organisation and is therefore subject to a number of legal and other financial regulations; the Service must ensure effective systems are in place to record and account for financial transactions correctly and that all financial matters are subject to appropriate scrutiny and transparency.

The legislation in Section 4 applies to Humberside Fire Authority (the legal entity) for HFRS.

Core Code of Ethics

HFRS has adopted the Core Code of Ethics for Fire and Rescue Services. The Service is committed to the ethical principles of the Code and strives to apply them therefore, those principles are reflected in this Policy.

National Guidance

Any National Guidance which has been adopted by HFRS, will be reflected in this Policy.

2. EQUALITY AND INCLUSION

HFRS has a legal responsibility under the Equality Act 2010, and a commitment, to ensure it does not discriminate either directly or indirectly in any of its functions and services nor in its treatment of staff, in relation to race, sex, disability, sexual orientation, age, pregnancy and maternity, religion and belief, gender reassignment or marriage and civil partnership. It also has a duty to make reasonable adjustments for disabled applicants, employees and service users.

3. AIM AND OBJECTIVES

Aim

To ensure that all financial transactions arising from any Service activity are correctly authorised, recorded and accounted for correctly.

Objectives

To develop and implement appropriate key financial controls to ensure the proper financial administration of the Authority's affairs.

4. ASSOCIATED DOCUMENTS

- [Equality Impact Analysis](#)
- Legal References
 - The Fire and Rescue Services Act 2004

Constitution Local Government Act 1972

- Local Government Finance Act 1988 Employment Rights Act 1996
- Local Government Act 2000 Local Government Act 2003
- The Accounts and Audit Regulations 2011
- The Accounts and Audit Regulations 2015
- The Accounts and Audit Regulations 2016
- Data Protection Act 2018 and the General Data Protection Regulations (GDPR)

- National Guidance

5. POLICY STATEMENT

HFRS will implement effective systems of financial control to regulate all expenditure and ensure income due to the service is collected effectively. Effective systems will also be in place for asset management (acquisition and disposal), handling of money and property. The aim of this policy is to ensure all financial transactions arising for service activity are appropriately authorised, recorded and accounted for.

6. GUIDANCE

It is the aim Corporate Finance and Procurement section to provide sufficient guidance and control on financial matters to ensure the effective financial management of the Service and that all financial activity is correctly recorded and accounted for by the Service.

Advice on all financial matters is available from the Corporate Finance and Procurement section. Detailed guidance on specific types of transaction is provided within this policy.

7. USE OF PRIVATE VEHICLES

This applies to employees using private vehicles for travelling to and from places of work and covers detached and deployed duty. Travel to a Service training course constitutes a detachment.

Allowances will be paid at the rate per mile as notified by the Head of Finance following agreement with Her Majesty's Revenue and Customs and the National Joint Council for Local Authority Fire and Rescue Services.

- Service vehicles should be used in the first instance for detached or deployed duties.
- The decision to use a private vehicle will be made by the line manager of the individual.
- The use of any private vehicle is subject to the agreement of the individual concerned.

Claims for mileage will only qualify for payment if the distance of the journey is higher than the normal journey from the individual's usual private address to their substantive place of work.

- The individual is responsible for the legal and insurance requirements associated with the use of a private vehicle (Insurance cover for business use must be included on the insurance policy of the vehicle).
- Journeys must reflect the most practical route (most direct unless road closes or traffic congestion prevents this).
- If two employees agree to share private transport, then only a claim from one individual may be submitted.

Allowances for mileage when using private transport are made at the agreed current mileage rate in the following way.

Detachments

The return mileage between the individual's usual private address and the place of detached duty minus the mileage between the individual's usual private address and the individual's usual place of duty.

e.g. Home to detached duty	14 miles x 2 journeys	=	28
less home to normal posting	5 miles x 2 journeys	=	<u>10</u>
additional mileage to be paid		=	18

Deployments

Where the deployment is from the substantive place of duty then the claim shall be for the return mileage between the substantive place of duty and the place of deployed duty.

e.g. Mileage from normal place of duty to deployed place of duty = 12 miles, two journeys are required so therefore 24 miles may be claimed.

If the individual's return journey is at the completion of a shift then the mileage will be calculated as above, less the mileage from the individual's usual place of duty to their usual private address.

Weekend Courses – On-Call

If there are no service vehicles available for use by On-Call employees on weekend courses then, subject to approval by the Station Manager, private transport may be used subject to the conditions in (4) above.

Claims

A Mileage chart is used for reference in establishing the direct distances between service locations, see Form FIN 13. The mileages shown are single journey distances.

All claims must be submitted via watch managers or equivalent on the relevant form. Claims for parking and toll reimbursement can be made if they are incurred, receipts should accompany the claim.

8. REIMBURSEMENT OF NHS CHARGES

Employees may claim for expenditure that an individual has incurred for the items listed below.

National Health Service Charges

In accordance with the National Joint Council Scheme Conditions of Service, the Service will reimburse full-time employees (excluding principal officers), whose duties include a liability to engage in firefighting and whose continuous service commenced prior to 1 November 1994, for charges they incur under section 77, 78 and 79 of the National Health Service Act 1977. These sections refer to charges for certain drugs, medicines and appliances and for dental treatment.

Reimbursement to all full-time employees whose continuous service commenced after 1 November 1994, or full-time employees whose duties do not include a liability to engage in firefighting, or to On-Call employees, will be payable only where such charges arise directly from illness or injury arising out of the execution of duty.

Where reimbursement is not available under the above, the Fire Authority may reimburse employees to some extent. This may include charges incurred for medical attendance and treatment, hospital treatment, dental services, the provision of dental and optical appliances and special treatment.

Claims for reimbursement of NHS charges should be submitted on an 'Application for Refund of National Health Service Charges' Form FIN 17 accompanied by the appropriate NHS receipts.

The Income tax acts consider these reimbursements as taxable income and therefore they will be subject to the individual's appropriate tax deduction under pay as you earn.

These benefits are not payable to employees on sick leave prior to retirement on medical grounds.

9. REIMBURSEMENT OF DRIVING LICENCES

Employees who are required to purchase or renew LGV licences may claim reimbursement of the cost by submitting an 'Application for Driving Licence Fees and Theory Test Reimbursement' form FIN 11.

10. REIMBURSEMENT OF FINES – ROAD TRAFFIC ACT OFFENCES

Uniformed employees prosecuted for a road traffic offence, committed whilst performing their fire service duties, who are awarded a financial penalty, may make an application to the Chief Fire Officer/Chief Executive for consideration for all or part of the costs to be reimbursed.

Reimbursement in part or in full will only be made when the Chief Fire Officer/Chief Executive considers the employee to be personally blameless or where there are

strong extenuating circumstances.

11. HANDLING OF MONEY

In accordance with Schedule 1 Part 5 of the constitution, section B – ‘Principles of good conduct for employees’ an employee must use any public funds entrusted to them or handled by them in a responsible and lawful manner. All staff responsible for handling income on behalf of the Authority should ensure compliance with the Constitution (see rules 37 and 40).

Donation of Gifts or Monies

Employees may not accept gifts or money for activities pursuant to their employment as members of HFRS, other than in accordance with the sponsorship of The Fire Fighters’ Charity event process below. However, if such offers are made, it is important that the person making the offer does not feel offended by refusal. In recognition of this employees may encourage the individual making the donation to make a donation to the Fire Fighters’ charity. Although it is acceptable for a cheque made out to The Fire Fighters’ charity to be handled as a consequence of such an offer, under no circumstances must cash be accepted. If the individual making the donation does not want to donate by cheque, they must be referred to the Executive Director of Finance /s.151 Officer who will provide guidance on how to donate by other methods.

Unofficial Funds

As detailed in rule 56 of the Constitution, all employees who, by reason of their employment, have any responsibility for unofficial funds, must ensure they notify the Chief Fire Officer & Chief Executive of the arrangement(s). Employees must ensure that complete and accurate records are maintained, and the Chief Fire Officer & Chief Executive will arrange for regular reviews of these records to be undertaken. Such funds include Sports and Welfare sections, Fire Service National Benevolent Fund and other fund-raising organisations.

Any monies or property not owned by Humberside Fire Authority must be handled in such a way as to ensure that the good name of the Service is maintained and as such secure, accurate and transparent systems put in place to ensure financial probity.

Fire Fighters’ Charity Events

It is recognised that the handling of cash will be unavoidable in those circumstances where fundraising activities take place on behalf of The Fire Fighters’ Charity. Such occasions may be open days, sponsored walks or cycle rides and car wash activities. This may result in a large amount of cash in the form of coins and small denomination bank notes being held on stations or other Service premises. Whenever such events take place it is extremely important that a suitably witnessed count-up is carried out at the end of each day. This money must only be kept on the premises for the minimum amount of time. If the necessitates keeping money on HFRS premises overnight, then this must be in a safe or suitable strong box. A

nominated person, usually The Fire Fighters' Charity representative, will then be responsible for depositing these monies in the Charity's bank account at the earliest opportunity.

Recovery of Money or Personal Property at Incidents

Although it is usually necessary to avoid disturbing the scene of an incident, there may be occasions where money, keys or high value personal property must be recovered. This may be following an incident where the premises, vehicle, aircraft or vessel is insecure or where weather conditions might cause unnecessary damage. Other occasions may arise during an incident where the risk from fire or flood may make it prudent to recover such items. Under these circumstances it may be possible to point out such items to the police for them to recover. However, where safety reasons prevent Police Officers from entering the area, fire crews may be able to recover the items when it is prudent to do so. These items must then be passed on to the Officer in Charge (OIC) of the incident. It is then the responsibility of the OIC to ensure that such items are handed over to a Police Officer at the earliest opportunity and to make a suitable record or obtain a receipt.

Sponsorship

Under rule 54 of the Constitution, Humberside Fire Authority has an approved policy for gifts, loans and sponsorship.

12. UNDER/OVERPAYMENT OF EMPLOYEES

Unfortunately, occasional errors occur with the payment of employee pay or expenses. These errors can be caused by a number of reasons; it is the responsibility of Humberside Fire Authority and the employee (or former employee) to ensure payments are made to match the remuneration an employee is entitled to.

Underpayments of pay and expenses will be made to the employee as soon as it is reasonably practical to do so.

Overpayments of pay and expenses will be recovered in accordance with this policy. Under/Overpayments of pay or expenses should be paid/recovered to/from the employee in a fair and equitable manner.

In all cases the employee's employment record will be amended as soon as possible to prevent further under/overpayments.

Underpayment

Underpayments of over £100 will be paid as soon as possible to the employee (on the next available BACs payment run). Underpayments of under £100 will be made on the payday following discovery. The Head of Finance has the discretion to pay payments of less than £100 if there is a case of financial hardship. The onus is on the individual to demonstrate that waiting until the next payday would cause financial hardship.

Any bank or other charges incurred from underpayment of pay and allowances may be reimbursed as the discretion of the Head of Finance.

Overpayment

The Executive Director of Service Delivery and Head of Finance will be informed immediately of the overpayment and provided with details describing the cause and reason for the overpayment.

The employee will be notified in the first instance by a HR Advisor or the member of staff that made the original error (if a HR advisor is not available). For errors originating from the payroll section then a member of staff from the payroll section of East Riding of Yorkshire Council will contact the employee and initially inform the Finance Officer.

Following notification, a letter will be sent to the employee. This letter will include details of the overpayment including the net amount to be repaid by the employee and a suggested repayment profile.

Overpayments will usually be recovered over the same period of the overpayment or at a minimum rate of 12% of the net overpayment per month. In cases where this will cause financial hardship the Head of Finance has the discretion to extend this period.

Once a repayment period has been agreed this will be notified to the employee in writing, with the monthly amount to be deducted and the start date of the deductions.

If an employee believes that an overpayment has not been made, then an investigation will be undertaken by a HR Service Partner to ascertain if the employee is entitled to the payment made. Following the conclusion of this investigation the employee will be notified of the outcome.

For current employees any recovery will be made as a deduction from pay. If an employee leaves the Service, then any outstanding overpayment will be deducted from the employees' final pay (if final payment has not been made). If an employee has received their final pay, then an invoice will be sent to the former employee to recover the pay that the former employee was not entitled to.

If an employee cannot repay an overpayment, then the Executive Director of Service Delivery and Head of Finance will prepare a report for the Executive Director of Finance/S.151 Officer. The onus is on the individual to provide all necessary details required to allow a decision to be made on writing off part or all of the overpayment.

13. PROCUREMENT CARD USE

Procurement cards are issued to employees where there may be a need or requirement to incur urgent expenditure and/or as a substitute for petty cash expenditure. Procurement card applications are made on the discretion of the Head of Finance and any misuse of procurement cards may result in the cancellation of the card. Procurement Card users should consider the following points:

- Procurement cards can be used to make payment at point of sale, over the telephone or on the internet as part of Emergency Response (urgent purchases/welfare etc.).
- For small items of expenditure that may be incurred (subsistence – within agreed rates, parking etc.).
- As agreed with the Procurement team (if particular goods are only available from one supplier who is insisting on payment in advance).

Procurement cards have two limits, the first limit is the credit limit that can be incurred on the procurement card at any time (for example £1,000), the second is a transaction limit which is the limit that may be spent in one transaction (for example £500). (Both of these limits include VAT).

Procurement Cards are PIN protected, and you should have received your personal PIN number following your application. PIN numbers should be kept safe and confidential. It is not possible to withdraw cash from an ATM with a Procurement card. Before buying goods or services with the Procurement card, the cardholder must:

- Check the purchase is within the transaction limit.
- Check that all procurement rules have been followed (3 quotes for purchases over £500 for example).
- Check that the value of the purchase when added to the balance will not exceed the credit limit of the card.
- Check the supplier can accept payment by Mastercard or VISA whichever is applicable.
- Ensure the purchase is within budget and bona-fide.

Procurement Cards should not be used to circumvent the usual procurement, ordering and requisition processes used within the Service.

Each transaction must have supporting documentation detailing the nature of the item(s) purchased. The cardholder must therefore maintain a personal transaction log. The Corporate Finance and Procurement section will email you this link.

All receipts and delivery notes should be kept safe and reconciled against the cardholders' personal transaction log. Receipts need to be a full VAT receipt (including VAT registration number) to allow the Authority to reclaim the maximum amount of VAT from HMRC.

All Procurement card transactions are published on Humberside Fire Authority's website.

Procurement card statements are received on a monthly basis and sent to cardholders by the Finance Officer. It is the responsibility of the cardholder to reconcile the transactions on the statement with the transaction log, this check

should be carried out immediately as the procurement card balance is paid immediately by Finance if no irregularities are reported.

Of paramount importance as cardholder, check immediately that all purchases have been made and approved by yourself and that all purchases have been made in accordance with this policy and the constitution of Humberside Fire Authority.

The Corporate Finance and Procurement section will conduct random checks on procurement card use and transactions may also be examined by the Fire Authority's internal audit function.

If a card is lost or stolen please contact NatWest on 0370 6000 459 immediately, and inform the Head of Finance as soon as possible.

Further guidance, support and advice on financial matters can be obtained from the
Corporate Finance and Procurement team
email: Corporatefinanceandprocurement@humbersidefire.gov.uk.