

NORTH LEVEL DISTRICT INTERNAL DRAINAGE BOARD

Financial Regulations

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INTRODUCTION

1. These Financial Regulations are designed to supplement the Board's Standing Orders and to ensure that the funds and assets of the Board are properly accounted for and controlled.
2. Any variation of these Regulations shall only be made by a resolution of the Board.
3. The Chief Executive shall, where appropriate, prepare additional rules of procedure, supplementary to these Regulations, to ensure the maintenance of financial control and security.
4. The Chief Executive shall be responsible for determining the format of the Board's accounting systems, annual Accounts and supporting records and shall ensure that the accounting systems determined by him are observed and that the accounts of the Board and supporting records are kept up to date.
5. The Chief Executive shall be responsible for maintaining an adequate and effective internal audit of the accounts of the Board in the manner he considers to be best.
6. The Chief Executive shall ensure that the Board's annual Accounts are prepared as soon as possible after 31ST March, and in accordance with the dates as set out in the Accounts and Audit Regulations 2003 (as amended).

CONTRACTS

1. The following procedures shall be employed in connection with the procurement of goods and services:-

<u>Estimated Value of Goods / Services</u>	<u>Action to be taken</u>
< £1,000	No quotation / tenders required
£1,001 - £2,500	Obtain 3 verbal quotations
£2,501 - £5,000	Obtain 3 written quotations
£5,001 and over	Obtain 3 tenders

2. Tendering may be selective or open, although, whenever possible, selective tendering shall be used and tenders invited to ensure that the required number of tenders are actually received.
3. Where it is considered there are valid reasons for departing from the procedures in (1) above, the Board's approval shall be obtained.
4. Tenders shall be opened, not earlier than the closing date prescribed in the tender documents, in the presence of the Chief Executive, the Engineer to the Board and the Chairman or Vice Chairman to the Board or other suitable member. A declaration shall be signed to such effect by the persons present at the opening of the tender(s).
5. Where a tender is accepted other than the lowest, the Board's approval shall be obtained.

RESPONSIBILITY OF OFFICERS

1. All staff of the Board have a general responsibility for the security of the property of the Board for the avoidance of loss and for economy, efficiency and effectiveness in the use of resources.

ESTIMATES

1. The Chief Executive shall be responsible for the preparation of annual Estimates.
2. The Estimates should be determined at the commencement of each year – using the best information available.
3. The Estimates shall be approved by the Board each year in order that the drainage rates and special levies can be determined.
4. The Chief Executive shall be responsible for seeking reasons and causes for deviation from the Estimates and shall inform the Board of all material variances.

BANKING

1. The Chief Executive shall advise the Board's bankers in writing of the conditions under which each bank account shall be operated and which must be in the Board's name.

2. All payments shall be made by either cheque, BACS or direct debit.

The main bank accounts will be operated on the following basis:-

All cheques will be signed by :-

up to £10,000 any two of Chairman, Vice- Chairman, the Chief Executive and the Engineer to the Board.

over £10,000 any two of Chairman, Vice- Chairman and Chief Executive.

3. Salaries and Wages will be paid by BACS and operated on the following basis:-
All BACS authorisations will be signed by the Chief Executive/Finance Officer.
4. All bank transfers to non-Board bank accounts shall be authorised by two signatories as in (2) above.
5. The Chief Executive shall ensure that bank account balances are managed so as to produce maximum benefits for the Board.
6. Any bank accounts operated but not covered by points (2) and (3) above shall be operated as for the main bank account.

INCOME

1. An official receipt shall be made out for every sum received by the Board and must show:-
 - (a) Date of receipt
 - (b) Amount received
 - (c) Type of remittance
 - (d) Reason for payment

Copies of all receipts issued by the cashier shall be retained by the cashier.

2. Board monies shall not be used for the encashment of private cheques.
3. All cheques, cash etc. received shall be banked at least weekly. Disbursements shall not be made from cash received. Banking shall be daily when unusually large sums are received.
4. Keys to safes, cash boxes etc. shall be securely kept by the designated officers.
5. The Chief Executive shall be responsible for ensuring that all monies received are properly brought to account in the Board's accounting records.
6. Any debts not recoverable should only be written off with the Board's approval if over £100 and the Chief Executive approval if below this figure.

PURCHASES OF GOODS AND SERVICES

1. The Chief Executive to the Board shall have the authority to effect the purchase of goods and services up to the value of £10,000 and the ordering of general repairs to the Board's assets up to the value of £10,000.
2. The Chief Executive to the Board shall seek the Chairman of the Board's authority to effect the purchase of goods and services over the value of £10,000.
3. For all goods and services with a value of £20,000 and over, the Board's approval shall be obtained prior to the purchase being effected.
4. The requirement under 3 above, may be dispensed with if the goods or services are required urgently such that it would not be feasible or practical to obtain the Board's approval. In such cases, the Chairman's approval shall be obtained and later ratified by the Board.
5. It shall be the duty of the Chief Executive to ensure that goods and services are ordered on the official order forms and are necessary for the efficient working of the Board's operations.
6. All invoices for payment shall be examined, coded and approved by the person responsible for the order and certified by the Chief Executive or the Engineer to the Board.
7. See "Contracts" Section for further Financial Regulations in connection with the purchase of goods and services.

STAFF

1. The Board's approval shall be required for the employment of additional permanent staff.
2. The Chief Executive shall have authority to employ additional temporary staff, provided the revenue consequences are contained within the current annual Estimates.
3. All time records and other pay records shall be in a form approved by the Chief Executive and shall be certified and submitted in accordance with his instructions.
4. The Chief Executive shall be responsible for the proper compilation of the payroll and for the final determination of pay.

STORES

1. Stores records shall be in such a form and shall comply with such systems of control as the Chief Executive or Engineer to the Board shall approve.
2. All goods received shall be checked as regards quantity and / or weight and inspected as to quality and specification. A delivery note shall be obtained from the supplier, wherever possible, and signed by the person receiving the goods.
3. All goods issued from stores shall be properly accounted for and recorded.
4. All breakages and losses of goods held in store shall be recorded and reported to the Chief Executive or Engineer to the Board to take appropriate action.
5. There shall be a physical check of all items in store at least once a year and the stock taking records shall be signed by the responsible persons.

ASSETS

1. All assets over £100 in value owned by the Board shall be accounted for in an asset register maintained by the Chief Executive. The asset register shall reflect additions and disposals of assets and record the cost or valuation of the assets.
2. At least once a year, the Chief Executive shall prove the accuracy of the asset register with a physical inspection of the Board's assets.
3. The asset register shall be placed before the Board for inspection at the earliest opportunity following the completion of the annual Accounts.
4. Any sale of Board assets will be disposed of through competitive Tender where the value of the asset exceeds £500.
5. Tenders shall be confidential in a sealed envelope and shall be opened, not earlier than the closing date prescribed in the presence of the Chief Executive to the Board, the Engineer to the Board and the Chairman or Vice- Chairman of the Board or other suitable member. A declaration shall be signed to such effect by the persons present at the opening of the Tender(s).
6. Where a Tender is accepted, other than the highest, Board approval shall be obtained.

AUDIT

1. As a requirement of the Accounts and Audit Regulations 2003 (as amended) the Chief Executive shall arrange for an internal audit of accounting, financial management and other operations of the Board to take place. This audit will be undertaken by an external person qualified to perform this function.

2. Authority of Internal Audit

Auditors are authorised to:

- a) Access/enter at all reasonable times any Board premises or land
- b) Have access to all assets, records, documents, minutes, correspondence and control systems relating to any aspect of the Board
- c) Require and receive any information and explanation considered necessary concerning any matter under examination
- d) Require any employee of the Board to produce or account for cash, stores or any other Board asset under his or her control
- e) Request access to records belonging to third parties, such as contractors or partners
- f) Have full and free access to all Officers, Members and Committees
- g) Allocate resources, set frequencies, select subjects, determine scope of work, and apply the techniques required to accompany audit objectives

Auditors are not authorised to:

- a) Perform any operational duties for the Board, unless in exceptional circumstances where specific approval is given by the Chief Executive.
 - b) Initiate or approve accounting transactions
 - c) Direct the activities of any Board employee, except to the extent such employees have been appropriately assigned to assist the Internal Auditor.
2. In addition all employees' of the Board are required to assist the External Auditor, or his/her authorised representative, in the performance of his/her duties under the Audit Commission Act 1998.

FRAUD OR OTHER IRREGULARITIES

1. The Responsible officer or any other officer concerned shall immediately notify the Chief Executive and /or the Internal Auditor of any matter which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Board or any suspected irregularity in the exercise of the functions of the Board.
2. Any financial irregularity involving an employee of the Board will be considered as gross misconduct, and will be dealt with in accordance with the Disciplinary Procedure of the employees Terms and Conditions of Contract.

WRITE OFFS

1. The Chief Executive shall have the authority to write off the following:-
 - (a) any debt under Officer Delegated Powers.
 - (b) damaged or stolen goods for which it is not considered that the Board may make a valid insurance claim, where those goods do not form part of a stock account.
 - (c) surplus goods and materials.
 - (d) goods, vehicles or materials that are considered to have no material value due to deterioration or obsolescence.
2. Responsible officers shall inform the Chief Executive of any item under 1 (b) – (d) above that they consider should be written off together with:-
 - details of the item or debt to be written off
 - the circumstances necessitating the write off
 - the reasons why he/she considers that the debt is irrecoverable or that no proceeds on sale would accrue to the Board.
3. Where any items to be written off do constitute part of a stock account, the procedures for recording the write off within the Board's accounts and the method of disposing of the goods shall be approved by the Chief Executive. The Chief Executive shall then make the appropriate adjustments to accounting records.

SALARIES, WAGES AND PENSIONS

1. All new appointments shall be approved by the Board, and will be made in accordance with the local grading structure and scales of pay.
2. The payment of all salaries, wages, Local Government Superannuation Scheme pensions, compensation and other emoluments to all present or former employees shall be made by the Chief Executive or under arrangements controlled by him.
3. Each responsible officer shall notify the Chief Executive immediately, and in the form prescribed by him, of all matters affecting such payments, and in particular:-
 - resignations, dismissals, suspensions, secondments and transfers
 - absences from duty for sickness, unpaid leave or other reason, but not normal leave
 - changes in remuneration, other than pay awards and agreements of general application
 - information necessary to maintain records of service for superannuation, income tax, national insurance and the like.
4. Time records or other pay documents shall be in a form prescribed or approved by the Chief Executive and Engineer to the Board and shall be certified in writing by or on behalf of the responsible officer. The documents must be approved by the Chief Executive in order to satisfy his obligations under taxation legislation.
5. The Chief Executive, unless determined otherwise by the Board, shall be responsible for operating the private use of the Board's vehicles. Boards vehicles are to be used solely for the Board's official business and shall not be used for private journeys.

BOARD EMPLOYEES

1. All employees of the Board shall conduct themselves in a polite and courteous manner as expected by the Board.
2. Employees must declare to an appropriate responsible officer any financial or other interest, which could conflict with the Board's interests.
3. It is a criminal offence for an employee to receive or give any gift, loan, fee reward or advantage for doing or not doing anything, or showing favour or disfavour, to any person in their official capacity as a Board Employee.
4. In terms of hospitality and gifts, only usable gifts of a small value may be accepted by individual staff or a section as a whole. Under no circumstances may cash be accepted as a gift.
5. Hospitality must be recorded in a Hospitality Book to be kept at the Board's offices.
6. Where an outside organisation is seeking to sponsor a Board activity (whether by invitation, tender, negotiation or voluntary), the basic rules concerning acceptance of gifts and hospitality shall apply.

MEMBERS' AND EMPLOYEES' ALLOWANCES

1. All staff claims for payment of car allowances, subsistence allowances, travelling and any other incidental expense shall be submitted as required duly certified, in a form approved by the Chief Executive or Engineer to the Board.
2. The certification by or on behalf of the responsible officer shall imply that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Board.
3. An officer shall not certify a claim form made payable to him/herself.
4. Claim forms submitted more than six months after the expenditure has been incurred shall be paid only on the approval of the Chief Executive.
5. Payments to Members, (including co-opted Members of the Board or its Committees), who are entitled to claim travelling or other allowances will be made by the Chief Executive upon receipt of the completed prescribed form.

INSURANCES

1. The Chief Executive shall, in consultation with the responsible officers, initiate all insurance cover and negotiate all claims in consultation with other officers where necessary.
2. Responsible officers shall promptly notify the Chief Executive of all new risks, properties or vehicles needing to be insured, and of any disposals or alterations affecting existing insurances.
3. Responsible officers shall notify the Chief Executive of any loss, liability or damage or any event likely to lead to a claim on any Board policy, and shall where appropriate notify the police of the relevant circumstances.
4. All employees of the Board shall be included in a suitable fidelity guarantee insurance.
5. The Chief Executive shall annually, or at such other period as he considers necessary, review all insurances held by the Board in consultation with other responsible officers as appropriate.

6. Responsible officers shall consult the Chief Executive in respect of the terms of any indemnity which the Board is requested to give.
7. Subject to the agreement of the Chief Executive, the responsible officers shall inspect insurance policies of contractors for building, plant hire, construction or engineering works to ensure as far as possible that all necessary cover has been taken out.

SECURITY

1. Each responsible officer is responsible for maintaining proper security at all times for all buildings, stores, plant, vehicles, equipment, cash, documents and information under his/her control. Each responsible officer shall consult the Chief Executive or Engineer to the Board in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
2. All officers of the Board have a duty to comply with the requirements of the Data Protection Act 1984 and any amending legislation. Responsible officers shall ensure that staff are aware of their responsibilities under this legislation through the provision of suitable training and the circulation of relevant information on the subject.
3. Maximum limits for cash holdings of £1,000 shall be agreed with the Board and shall not be exceeded without the express permission of the Chairman.
4. Keys to safes and similar receptacles are to be securely kept by those responsible at all times. A list of such key holders shall be supplied to the Chief Executive. Where keys are transferred between staff, the new recipient assumes responsibility. The loss of any keys must be reported immediately to the Chief Executive.

PROTECTION OF PRIVATE PROPERTY

1. Each responsible officer shall notify the Chief Executive of any case where steps are necessary to prevent or mitigate loss or damage of moveable property.
2. The Board shall not be liable for accidental loss or damage to the personal possessions which employees' use whilst on Board business that are not included under the Board's Insurance Policies.
3. All recovered valuables such as jewellery, watches and other small items of a similar nature and documents of title shall be kept under safe custody as directed by the Chief Executive, and shall, if not claimed, be disposed of in a manner determined by him.
4. In the event of theft of personal items from staff, a full report shall be made by the affected employee as soon as the theft has been discovered. All such incidents shall be recorded and investigated. Where possible, the Chief Executive or responsible officer shall make appropriate recommendations to improve security.

REVIEW

These Financial Regulations shall be reviewed at least every five years by the Board.