

# DONCASTER EAST INTERNAL DRAINAGE BOARD

## Financial Regulations

### 1. GENERAL

- 1.1 These Regulations shall apply to all aspects of the Board financial matters.
- 1.2 The Chief Executive officer (CEO) shall be responsible, under the direction of the Board or Finance sub-committee for the proper administration of the Board's financial affairs
- 1.3 Reference in these Regulations to the "responsible officer" are to any employee specifically nominated by the CEO or Board to carry out a prescribed function of the Board
- 1.4 The responsible officer shall be responsible for the keeping of all accounting and financial records of the Board and for the production of such records to the Board and the Board's Auditors.
- 1.5 Each responsible officer shall consult with the CEO with respect to any matter within their area of responsibility that may affect materially the finances of the Board.

### 2. AUDIT

- 2.1 As a requirement of the Accounts and Audit regulations 2011 the responsible officer shall arrange for the internal audit of the Board's financial management, accounting and all other financial matters. This audit will be undertaken by an external person qualified to perform this function.
- 2.2 The responsible officer shall prepare all the Board's account for submission to the internal auditor and Audit Commission as required.
- 2.3 The responsible officer shall ensure that the Board is presented with the Internal Audit Report each year and review the management team's performance
- 2.4 The responsible officer shall collate and send all requested information to the external auditor within their prescribed time line. The officer shall also respond to all other requests for information from the External Auditor, Internal Auditor and National Audit Office.

### 3. BANK

- 3.1 All the Board's accounts shall bear the name of the Board and no new accounts shall be opened without the express approval of the Board.
- 3.2 The following account shall be maintained as appropriate: -
  - Business Current Account
- 3.3 The bank shall honour all cheques or instructions signed by the Chairman or Vice-Chairman and countersigned by any one of other two signatories named on the authorised signatory sheet from the CEO's office. The bank shall also honour all cheques or instructions signed by the two signatories from the signatory sheet in accordance with regulation 11.2
- 3.4 Selected members of staff will be issued debit or credit cards to ensure the smooth running of the Boards services. The CEO will agree the aggregate spending limits for each individual. Any individual issued with a card in their name is responsible for the safe keeping of the card, associated pin and any spend incurred upon it. They must also ensure that VAT receipts are

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obtained and submitted to the Finance Manager to ensure VAT can be recovered. Any misuse of a Board's card will be considered as gross misconduct, and will be dealt with in accordance with the Disciplinary Procedure of the employee's Terms and Conditions of Contract. Failure to obtain VAT receipts may result in the card been withdrawn from the individual.

### **4. CONTRACTS**

- 4.1 The responsible officer shall keep details of all contracts entered into by the Board and of payments made under such contracts.
- 4.2 On completion of a contract the responsible officer shall examine the final account for arithmetical accuracy.

### **5. DISPOSAL OF ASSETS**

- 5.1 The responsible officer shall maintain a register of all the Board's main assets which will be included within the Board's Annual Accounts.
- 5.2 Items surplus to requirement or obsolete property shall be brought to the Board's attention for its approval for disposal by an approved method that may include but not exclusively part-exchange and competitive tendering.

### **6. ESTIMATES**

- 6.1 The CEO, together with the appropriate responsible officer shall prepare for the forthcoming financial year an estimate of expenditure and income. Such estimates together with any necessary supporting documentation shall be submitted to the Board and any sub-committee in order that the rate and special levy for the year may be determined.
- 6.2 The determination of the rate and levy for the year shall be completed by 15th February of that year as required under the Land Drainage Act 1991.
- 6.3 The Board meeting immediately before 15th February each year will set and seal the Rate for the ensuing financial year.
- 6.4 The responsible officer shall advise the CEO immediately should a Billing Authority fail to make their Special Levy payment to the board at the agreed time, or where significant Drainage Rates due become doubtful.
- 6.5 The responsible officer will report actual figures against estimates at every Board Meeting in order to keep Members apprised of the Board's financial affairs.

### **7. INCOME**

- 7.1 The CEO shall be responsible for the supervision and the making and maintaining of adequate arrangements for:

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- The collection, custody, control, disposal and prompt proper accounting of all the Board's income.
  - The financial organisation and accounting arrangements to ensure the proper recording of all sums due to the Board.
- 7.2 All money received on the Board's behalf shall be deposited promptly with the responsible officer.
- 7.3 All official receipt forms, books, issue notes, order books and other documents representing moneys' worth shall be ordered, controlled, and issued by the responsible officer.
- 7.4 The responsible officer shall ensure that all invoices are submitted promptly for the recovery of income due.
- 7.5 The responsible officer shall maintain and promptly enter up in chronological order full and accurate details of the total money received by them each day on behalf of the Board, and details of the date and the extent to which that money has been deposited with the Board's bankers. All money collected and exceeding £1,000 in total shall be banked no later than the first working day following that on which it was collected and, in any case not less frequently than once a week.
- 7.6 The Board is now able to accept Credit and Debit card payments via the telephone (customer not present). These must be taken via the Secure Trading website and must be in accordance with UK Payments Administration Ltd standards (previously APACS). For example, credit and debit card details must not be written down or retained by the Board's staff.
- 7.7 The responsible officer shall prepare receipts as requested by debtors.
- 7.8 Any debts not recoverable should only be written off with the Board's approval if over £100.

## **8. INSURANCE**

- 8.1 The responsible officer shall ensure that all the Board's insurable risks are adequately covered, maintain the necessary records and make all claims on behalf of the Board.
- 8.2 All employees shall promptly notify the responsible officer of all new risks, properties or vehicles needing to be insured and of any disposals or alterations affecting existing insurances
- 8.3 All employees of the Board shall immediately notify the responsible officer of any loss, liability or damage which occur and which may be covered by the Board's policies.
- 8.4 The provision of insurance cover shall be reviewed on a tri-annual basis unless a long-term agreement has been entered into. In this instance the policies shall be reviewed before the end of the period and before the next renewal date.

## **9. IRREGULARITIES**

- 9.1 In any case where irregularity is suspected in connection with financial or accounting transactions it shall be the duty of the member or employee suspecting this irregularity to bring it to the CEO's attention who will in turn inform the Chairman and the Board's Auditors.

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- 9.2 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 employee's Terms and Conditions of Contract.

### 10. PAYMENT OF ACCOUNTS

- 10.1 The responsible officer shall check, code, and certify all invoices, claims and accounts prior to payment.
- 10.2 The responsible officer shall make all payments ensuring that all and any early payment discounts are taken. A schedule of payments made shall be submitted to the Board for approval. A copy of each schedule shall be kept by the responsible officer for audit purposes.
- 10.3 The responsible officer shall undertake an examination of all cheques, Direct Debits Standing Orders and BACs payments cleared through the Board's accounts and shall arrange for the reconciliation of cash and bank accounts on a regular basis but at least at quarterly intervals

### 11. PURCHASE OF GOODS AND SERVICES

- 11.1 The CEO should seek to ensure the best value for money by testing the market where appropriate before any expenditure is committed. All goods and services should be procured in accordance with the procurement rules.
- 11.2 The CEO shall have the authority to affect the purchase of goods and services in accordance with an approved budget without further reference to the Board or sub-committee. Unless there is a conflict of interest with the management service provided. In this event the procurement process and rules will be followed
- 11.3 The requirement under Financial Regulation 11.2 may be dispensed with if the goods or services are required urgently such that it would not be feasible or practical to obtain Chairman's approval. In such cases, the Board's ratification shall be obtained retrospectively for such urgent actions.
- 11.4 All orders for goods or works shall be issued in writing. Details of price and discount (if any) shall be detailed. Verbal orders shall be confirmed by a written order.

### 12. PROCUREMENT

- 12.1 The following procedures shall be employed in the procurement of goods and services;

<b>Estimated Value of Goods and Services (per transaction)</b>	<b>Procedure</b>
Up to £5,000	At the CEO's discretion or the Chairman's discretion in relation to specialist service provided by the management services
£ 5,000 to £20,000	Obtain two quotations/estimates and agree with Chairman
£20,000 and over	Obtain 3 tenders, consult Board and obtain Board approval. Comply with EU Procurement legislation where applicable

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- 12.2 The Board agrees where JBA Consulting Shire Group IDB Management Team is asked by the Board to produce a Contract, Specification, Tender Process or Quotation, this work will be undertaken as part of the provision of Specialist Services Section of the W.E.M. Contract
- 12.3 The CEO shall have the authority to effect the purchase of goods and services each up to the value of £5,000. Except when the specialist service can be provided by the Management Services supplier, it will then be at the chairman's discretion.
- 12.4 The Board's or Chairman's approval shall be sought for goods/services when the value is >£5,000 and <£20,000.
- 12.5 Tendering may be selective or open, although whenever possible, selective tendering shall be used from the 'approved suppliers' list when the value of good or service is >£20,000.
- 12.6 Tenders will be invited by 3 such suppliers whenever this is reasonably practical and the documentation prepared by the officers shall always be proportionate to the value of the contract, as estimated by the CEO. If the service can be carried out by the Management service supplier then a 3rd party should be appointed to carry out the invitation and evaluation stages of the tender process.
- 12.7 All tenders received by the Board shall be opened in the presence of the Chairman or Vice Chairman and the CEO (or 3<sup>rd</sup> party). Tenders must be returned on the correct format paperwork, with the correct return labels and without any evidence of return sender otherwise they will be regarded as non-compliant and void.
- 12.8 The Board shall not be obliged to accept the lowest quotation or tender but shall consider all aspects of the submitted documents to determine that best value for money is being obtained.
- 12.9 Exception to procurement rules;

In exceptional circumstances where it is necessary because of an unforeseen emergency, involving immediate risk to persons or infrastructure then the board permits the appointment of an approved contractor based upon previously provided rates

Other Exceptions include;

- goods/services deemed proprietary and cannot be obtained by any other source
- where it is deemed an extreme urgency
- where the marketplace is limited and/or restricted (e.g. by quality standards)
- where an existing framework agreement is in place which can be accessed by the Board
- if, following the tender process or quotation exercise the required number of quotes did not meet the minimum required

The chairman will be notified for any exception purchases >£5000 and will be reported to the board at the next available Board meeting

### 13. RETENTION OF DOCUMENTS

- 13.1 All documents relating to the accounts, salaries, pensions, insurances shall be kept for the relevant statutory period following which they can be destroyed.

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### **14. REVIEW OF THE REGULATIONS**

14.1 If the CEO at any time considers that these Financial Regulations are inadequate and should be reviewed the matter should be brought to the Board's attention.

14.2 Notwithstanding the above these Regulations should be reviewed every five years following their adoption.