

Black Sluice Internal Drainage Board

Policy No: 3

Financial Regulations Policy

Review Dates:

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1. INTRODUCTION

- 1.1 The Accounts and Audit Regulations 2015 and the financial provisions of the Land Drainage Act 1991, place a responsibility on Drainage Boards to ensure that the financial management of Boards is adequate and effective.
- 1.2 Financial Regulations set out the framework of the rules for the proper financial administration of the Board and the responsibility of those charged with carrying out duties with financial implications.

2. RESPONSIBILITY FOR FINANCIAL CONTROL

- 2.1 The Chief Executive is appointed by the Board as the Responsible Financial Officer as required by the Local Government Act 1972, Section 151.
- 2.2 The Chief Executive shall be responsible to the Board for overall financial control of the Board's financial affairs and the continuous provision of financial management information.
- 2.3 The Chief Executive shall be responsible for maintaining the integrity of the accounting, financial administration and financial control systems of the Board.

3. ANNUAL ESTIMATES AND BUDGETS

- 3.1 The Chief Executive and Directors shall, each financial year, prepare estimates of income and expenditure for the ensuing financial year, using the best information available. Such estimates will be presented to the Executive Committee in January to allow recommendations to be put to the Board before 15th February on the level of the penny rate and council special levies.
- 3.2 The Chief Executive shall also each year produce a ten-year projection to estimate levels of balances, so that the penny rate can be set at appropriate levels.
- 3.3 The Board meeting in February will set and Seal the Rate for the ensuing financial year.
- 3.4 The Board shall be kept informed by the Chief Executive of the overall financial position of the Boards finances through monthly management accounts, quarterly forecasts and other reports as necessary.

4. PAYMENTS OF ACCOUNTS / ORDERS

- 4.1 All requests for goods and services shall be issued on official order forms authorised as set down in the procurement policy.
- 4.2 All invoices, claims and accounts shall be authorised by one of the Directors or the Chief Executive before payment ensuring that the payment is legal and within the power of the drainage board.
- 4.3 Payments will be made twice each month, by faster payment, processed by the second and last Friday in each period.
- 4.4 Direct Debit payment may be set up for regular monthly payments, either fixed or variable.
- 4.5 The Finance and Admin Director shall prepare a monthly schedule of payments that have been made.
- 4.6 All Schedules of payments are to be reported to the next available Board meeting.

5. INCOME

- 5.1 Procedures for the collection of all income due to the Board shall be under the control of the Chief Executive.
 - a) Invoices are to be raised promptly.
 - b) Statements to be sent on a monthly basis following the month the invoice was sent. (Copy invoices also to be sent if deemed required).
 - c) Any debtors outstanding over three months are to be reported to the Executive Committee.
- 5.2 Payment received on behalf of the Board by cheque will be paid into the Board's bank account on a regular basis and at least within a week, volume permitting, these may be paid in using the Bankline App. Payments received in cash may be transferred to the petty cash float if required otherwise paid into the Board's bank account without delay. Payments may also be taken by debit or credit card, in person, by phone or on the Board's website or paid directly into the Board's bank account by the Debtor.
- 5.3 All payments received by which ever method shall be recorded in the collection and deposit book.
- 5.4 The Finance and Admin Director shall have responsibility to ensure that all monies received are correctly recorded in the Board's accounting records and the correct amount of VAT is added to income accounts where applicable.
- 5.5 The Chief Executive shall keep the Board regularly informed on the level of drainage rates collected by inclusion of a report in the monthly reports sent to the Executive Committee and at each Board meeting.
- 5.6 An official receipt showing date of receipt, amount received, type of remittance and reason for payment will be issued for all cash payments and for cheque payments on request.

- 5.7 Keys to the safe and cash boxes shall only be available to designated officers. Any lost keys must be immediately reported to the Chief Executive and Projects Director.

6. INSURANCE

- 6.1 The Chief Executive and Directors, in consultation with responsible Officers initiate all appropriate insurance cover and negotiates all claims in consultation with relevant Officers.
- 6.2 All policies and covers are to be reviewed on an annual basis.
- 6.3 The Chief Executive or any of the Directors shall inform the Insurer in a manner and at intervals requested by the Insurer, of all asset changes and cover required.
- 6.4 Officers shall promptly notify the Chief Executive of any loss, liability or damage or any event likely to lead to a claim on any Board policy.

7. STOCK AND ASSETS

- 7.1 The Finance and Admin Director shall receive a weekly stock list from the Operations Supervisor detailing issues, receipts and balances of stock items.
- 7.2 The Finance and Admin Director will arrange a physical stock take at least twice a year with one coinciding with the financial year end on the 31st March.
- 7.3 The Maintenance Director shall ensure proper and safe custody of all stock.
- 7.4 The Finance and Admin Director shall keep an asset register. This shall record all assets above £5,000 in value. The Finance and Admin Director will carry out at least an annual physical check of assets.
- 7.5 Obsolete Equipment will, on the agreement of the Chief Executive and Capital Projects Director, be offered to the primary user at the best trade in rate achievable plus one pound and then to other staff via sealed bid. If not purchased by staff then, if appropriate and suitable, it can be traded in or sold by any other means for the benefit of the Board.

8. PAYMENT TO EMPLOYEES

- 8.1 The Finance and Admin Director shall keep a record of all employees to show details of the appointment, grade and payments in respect of each employee of the Board.
- 8.2 The Finance and Admin Director shall be responsible for the payment of all, salaries, wages and other emoluments to all employees.
- 8.3 The Finance and Admin Director shall be responsible for keeping and maintaining all records for the proper administration of PAYE, NI and Superannuation.
- 8.4 All authorised officers shall notify the Chief Executive and Finance and Admin Director immediately of all matters affecting payments including resignations, suspensions, absences from duty and changes in remuneration.
- 8.5 Variations to the salary of the Chief Executive shall be authorised by the Executive Committee and Chairperson of the Board.

8.6 Any discretionary payments to employee's over the Overtime limit will be authorised by the Chairperson of the Board.

9. TREASURY MANAGEMENT / BANKING ARRANGEMENTS

9.1 The Chief Executive shall include in the monthly management accounts details on all investments which will be distributed to the Executive Committee.

9.2 The Board has a limit of funds that may be deposited, in a fixed term investment, with any institution which is £300,000.

9.3 The Board only places deposits with financial institutions which are regulated by the Financial Conduct Authority.

9.4 Bank transactions and instructions must be authorised by two approved officers.

9.5 In relation to 9.4 above, the approved officers are: Chief Executive, Capital Projects Director, Finance and Admin Director and Maintenance Director.

9.6 The Chief Executive and Capital Projects Director may hold a Business Chargecard, with a monthly limit of £5,000 for payment of expenses and Internet orders. The Maintenance Director and Finance & Admin Director may hold a business Chargecard, with a monthly limit of £2,500. Statements are to be certified by the Chief Executive every month. Projects Director to certify the Chief Executive's statement. It is the bearer's responsibility to ensure the cards are kept safe and only used in accordance with the Board's Procurement Policy. Under no circumstances are the cards to be used to withdraw cash.

9.7 Small payments may be made by petty cash under the control of the Finance and Admin Director. All petty cash claims are to be recorded on a voucher supported by a receipt and authorised by the Finance and Admin Director or Chief Executive. The maximum amount of petty cash that may be held is £500. The Finance and Admin Director is to certify the analysis every month.

9.8 Bank accounts must be in the name of Black Sluice IDB.

10. RESERVES

10.1 General Reserve - When producing budgets and estimates the long term aim of the Board is;

- Maintain - Maintain the General Reserve at between three and twelve months of net revenue expenditure. (As per JPAG Practitioners Guide)
- Aim - Aim to be able to fund a minimum of two consecutive "Wet" years of Electricity from the General Reserve.
- Budget - With the General Reserve at the target level aim for a balanced budget.

11. AUDIT AND ACCOUNTS

- 11.1 The Chief Executive shall arrange for an internal audit of the accounting, financial management and other operations of the Board. This will be undertaken by a suitably qualified and experienced internal auditor and be undertaken in accordance with the Governance & Accountability for Smaller Authorities in England code of audit practice.
- 11.2 The Internal Auditor shall produce an annual report to the Executive Committee and the Audit & Risk Committee that assures them that the Board has a sound system of internal control which;
- 11.2.1 Facilitates the effective exercise of its function and the achievement of its aims and objectives
- 11.2.2 Ensures that the financial and operation management of the authority is effective and
- 11.2.3 Includes effective arrangements for the management of risk.
- 11.3 Any qualified or adverse internal or external audit reports or opinions will be reported to the next available Board meeting.
- 11.4 The Annual Financial Statements shall be approved by the Board before the 30th June each year.

12. IRREGULARITIES / FRAUD

- 12.1 In any case where irregularity is suspected in connection with financial or accounting transactions, it shall be the duty of the Finance and Admin Director to inform the Chief Executive, Chairperson of the Board, and the Board's Auditor without delay.