

BEDFORD GROUP OF INTERNAL DRAINAGE BOARDS
INCORPORATING

**Bedfordshire and River Ivel IDB, Buckingham and River Ouzel IDB and
Alconbury and Ellington IDB**

FINANCIAL REGULATIONS

GENERAL:

These Financial Regulations shall apply to all aspects of the Boards in the Bedford Group.

References in these Regulations to the responsible officer or member are any officer or member specifically nominated by the Boards to carry out a prescribed function of the Boards.

The Responsible Finance Officer (RFO)

The Assistant Finance Officer (AFO)

The Accounts Officer (AO)

The Director of Operations (DoO)

FINANCIAL ADMINISTRATION AND CONTROL:

Each individual Board is responsible for regulating and controlling its finances.

The RFO shall be responsible, under the general direction of the Joint Management Committee of the Bedford Group, for the proper administration of the Boards' financial affairs and satisfying the statutory and public stewardship responsibilities placed on the Boards by the Land Drainage Act 1991 and the Accounts and Audit (England) Regulations 2011 and any subsequent amendments.

ANNUAL ESTIMATES AND BUDGETARY CONTROL:

The RFO shall, each financial year, prepare estimates of income and expenditure for the ensuing financial year. Such estimates together with such summaries or reports as are necessary shall be submitted to the Boards in order that the rates and council levies for the ensuing year may be determined.

Responsible Officers shall be authorised to incur expenditure included in the approved annual estimates without further reference to the Boards.

The RFO shall report to each regular meeting of the Joint Management Committee on the receipts and payments for the financial year to date, showing comparison with the budget.

RESERVES:

Capital Development/Committed Sum Reserve - The Boards may hold ring-fenced funds for income received from developers and others for the long term to provide for future capital and maintenance works.

General Reserve – The Boards may hold a general reserve approximately equal to one times its annual Rates and Special levy income. It is recognized that in some circumstances reserves in excess of this may be appropriate given the urban nature of the Boards' Districts and the increased cost of undertaking works, both routine and in an emergency, in urban areas.

INCOME:

The RFO shall be responsible for the supervision and the making and maintaining of adequate arrangements for:

- i) The collection, custody, control, disposal and prompt and proper accounting of all the income of the Boards.
- ii) The financial organisation and accounting arrangements to ensure the proper recording of all sums due to the Boards.

The AFO shall be responsible for the raising of Sales Ledger invoices and all money received on behalf of the Boards shall be deposited promptly with the AFO.

All official receipt forms, cheque books, order books and other documents representing money's worth shall be ordered, controlled and issued by the RFO.

The Rating Ledger shall be maintained by the RFO, assisted by the AO.

Collectors shall maintain and promptly enter up accurate details of the money received each day into their charge on behalf of the Boards and details kept of the date and the extent to which that money has been deposited with the Boards' bankers. All money collected shall be banked no less frequently than once a week.

The Bedfordshire and River Ivel and Buckingham and River Ouzel Boards have the ability to accept Rating payments by debit card over the telephone using Lloyds Bank Internet Payment Gateway. The inputting of card details and personal information is in line with Data Protection regulations and an email copy of all transactions is received by the RFO in real time.

Receipts in the form presented by the RFO shall be prepared by the official concerned on each and every occasion that cash is received or if requested for any other form of remittance.

WRITE OFFS:

The RFO is authorised to write off rate income considered irrecoverable up to a sum of £100.00 per Hereditament.

Each year, prior to the setting of the rates, the RFO shall present a schedule of all proposed write offs for the Boards' approval.

PROCUREMENT OF CAPITAL AND MAINTENANCE WORKS:

Capital Works Loans (PWLB) - Where any capital expenditure is to be defrayed out of loan, the sanction for the loan shall be obtained from the individual Board before any expenditure is incurred, excepting certain items of preliminary expenses that may be incurred by way of advertisements, public enquiry expenses, consultants' fees etc.

The DoO shall be responsible for keeping details of capital and maintenance contracts entered into by the Boards and of payments made under such contracts.

On completion of a contract the AFO shall examine the final account for arithmetical accuracy.

The following procedures shall be employed in connection with the procurement of capital and maintenance works contracts:

<u>Estimated Value of Contract</u>	<u>Action to be taken</u>
Up to £25,000	1 Written/Email Estimate
£25,001 - £100,000	Obtain 3 written quotations (if it is not possible to obtain 3 written quotations an explanation to be provided)
Over £100,000	Obtain 4 tenders

PROCUREMENT OF GOODS AND SERVICES (EXCLUDING CAPITAL AND MAINTENANCE WORKS):

All orders for goods or services shall be recorded on an official purchase order form. When goods and services are ordered details of the price (if available) and discount (if any) shall be inserted. It is recognised that it is often not possible to obtain estimates for services in advance, and where this occurs, and the cost is likely to be above £5,000, the RFO must be notified and approval sought. Copies of written quotations, including email correspondence, where available, shall be attached to the official purchase order form and given to the AO for inclusion with the purchase payment claim voucher.

All administrative and engineering department staff, including the Site Managers, can place orders for goods up to and including £500 (excluding VAT). Orders for goods between £500 and £4,999 (excluding VAT) can be approved and signed for by either the RFO, AFO, DoO or the Principal Engineer.

Orders for goods over £5,000 must be approved and signed for by the RFO.

These procedures exclude:

- i) The necessary procurement of goods and services in the event of an emergency; subject to consultation with the Chairman of the Joint Management Committee or the Chairman of the relevant Board, as appropriate.
- ii) Contracts with retained Engineering, Legal, Ecological, Health and Safety and Personnel Consultants, etc - See Appendix A below for the Bedford Group of IDBs list of current, specialist, preferred suppliers.

PETTY CASH:

A single petty cash imprest of £200 shall be maintained by the AO for minor disbursements. A record book will be maintained to show all payments from petty cash and details of each item and the name of the officer who incurred the expenditure. A receipt (including VAT if appropriate) must support the expenditure.

CREDIT CARDS:

The RFO may hold a business credit card, with a monthly limit of £1,500 for payment of expenses and goods and services, including internet orders. The Site Managers may hold a business credit card, with a monthly limit of £750, for payment of goods and services in relation to the maintenance programme. Monthly statements are to be signed and countersigned by either the DoO or AFO and receipts submitted for all expenditure. It is the bearer's responsibility to ensure the cards are kept safe and only used for the Boards' business. Under no circumstances are the cards to be used to withdraw cash.

PAYMENT OF ACCOUNTS:

All invoices, claims and accounts shall be checked and coded, such checks being indicated by the initials of the examining officer, and shall be certified by the RFO.

A schedule of all account payments including Bank Automated Credit System (BACS) and cheques shall be prepared by the AO and signed by the RFO.

A schedule listing all payments over £500 will be prepared by the AO for submission and approval at each Joint Management Committee meeting and once approved be included on the Group's website.

At each individual Board meeting the RFO shall submit a schedule of income and expenditure together with all monies held by the Board and held jointly by the Boards in the Group.

The RFO shall undertake an examination of all payments cleared through the Boards' bankers, and shall arrange for the reconciliation of cash and bank accounts on a regular basis but at least at quarterly intervals.

BANK ACCOUNTS:

Individual Boards:

All income, excluding that which includes an element of VAT, shall be paid into an account bearing the individual Board's name and no new Bank Accounts shall be opened without the approval of the individual Board.

- i) All cheque payments for amounts up to £10,000 shall bear one authorised signature.
- ii) All cheque payments for amounts over £10,000 shall bear two authorised signatures.

The Chairman of the individual Board, on receipt of a schedule of income and expenditure from the RFO, shall be authorised to sanction payments from the individual Board's account to the Group account.

The BACS payment system is not used for the individual Board Accounts.

Group Account:

All income which includes an element of VAT or relates to the joint administration of the Boards in the Group shall be held in an account known as the Bedfordshire and River Ivel Group Account.

BACS Payments – via the Co-operative on-line Financial Director Service:

The AO shall produce a schedule of BACS payments for the RFO to authorise. The RFO authorises all BACS payments. Sums exceeding £10,000 will be endorsed by the DoO.

Cheque Payments:

- i) All cheque payments up to £20,000 shall bear the signature of either the RFO or the Chairman of the Bedfordshire & River Ivel Board, *ex officio* the Chairman of the Joint Management Committee.

- ii) All cheque payments of sums above £20,000 but not exceeding £30,000 shall bear two of the three authorised signatures.
- iii) All cheque payments of sums above £30,000 shall bear the signature of both the RFO and the Chairman of the Bedfordshire & River Ivel Board, *ex officio* the Chairman of the Joint Management Committee.

Any changes to the bank signatory mandates must be authorised by the Joint Management Committee in relation to the Group Account and by the individual Boards in relation the Boards' Accounts.

SALARIES:

The RFO Officer shall keep a register of all employees to show details of the appointment, grade and payments in respect of each employee of the Boards.

The RFO shall be responsible for the payment of all salaries, and other emoluments to all employees.

The AFO shall be responsible for the calculation of salaries after time sheets and travel sheets have been certified by the relevant Manager and shall be responsible for keeping all other records connected with the payroll.

The RFO shall be responsible for keeping and maintaining all records for current and past employees for the proper administration of superannuation contributions and for liaising with Bedford Borough Council, the schemes administering body, for payments of both contributions and pensions to former employees.

STORES AND STOCK ACCOUNTS:

The Officer responsible shall ensure the proper custody of items required for his department and shall see that items received and issued are properly and promptly recorded.

The AFO/AO, in conjunction with the relevant Site Manager, shall carry out a physical stock take at the end of each financial year and at *ad hoc* times throughout the year.

The Officer responsible shall prepare and keep up to date an inventory of all moveable plant and machinery belonging to the Boards.

ASSETS

All assets over £5,000 in value owned by the Board shall be accounted for in an asset register maintained by the RFO. The asset register shall reflect additions and disposals of assets and record the cost or valuation of the assets.

Any sale of Board assets will be disposed of through competitive Tender where the value of the asset exceeds £5,000

INSURANCE:

The RFO shall be responsible for seeing that all insurable risks of the Board are adequately covered. The AFO shall be responsible for maintaining the necessary records relating thereto and for making all claims on behalf of the Boards.

Officers of the Boards shall immediately notify the RFO of any loss, liability or damage covered by insurance.

Each responsible officer shall notify the RFO of any case where steps are necessary to prevent or mitigate loss or damage of moveable property.

The Board shall not be liable for the theft, accidental loss or damage to the personal possessions which employees' use whilst on Board business that are not included under the Boards' Insurance Policies.

IRREGULARITIES:

In any case where irregularity is suspected in connection with financial or accounting transactions in any department, it shall be the duty of the Responsible Officer to notify the RFO who will then inform the Chairman of the Boards and the Boards Auditors without delay.

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.

REVIEW OF FINANCIAL REGULATIONS:

If at any time the RFO or Auditors consider that the financial regulations require amendment, a report shall be submitted to the Joint Management Committee for approval. The Joint Management Committee will then report on the changes to the individual Boards in the Group.

A full review shall be carried out by the Joint Management Committee at five year intervals.

NOTE:

By resolution of the Boards in the Group the Joint Management Committee is the committee responsible for the control and supervision of all aspects of the joint functions of administration.

Appendix A

Current, specialist, preferred suppliers

The following is a list of current, specialist, preferred suppliers who provide services to the Bedford Group:

Croner Group Ltd	TIAA, Internal Auditors
Dams & Reservoirs Ltd	Ward Ecology
JDP Insurance Brokers (Surrey Independent Advisers Ltd)	Wilkin Chapman Solicitors
Peter Brett Associates	Woodfines Solicitors
Utilize IT Support/Ignite Business Communications	Xylem Water Solutions UK Ltd

Before any new suppliers are added to this list the Joint Management Committee's approval will be sought.

Appendix B

The members of staff currently occupying the roles, stated in the Financial Regulations above, are as follows:

The Responsible Finance Officer (RFO) is F Bowler
The Assistant Finance Officer (AFO) is R Easom
The Accounts Officer (AO) is N Souter
The Director of Operations (DoO) is J Oldfield

A full review of the Financial Regulations is carried out by the Joint Management Committee at five year intervals and Appendices A and B will be included in these reviews.

Revised April 2019

Amended and Approved by JMC 15/04/19
Board Approval May/June 2019