

# **FINANCIAL REGULATIONS**

---

## **FINANCE**

**Review date: April 2024**

**To be reviewed every 3 years following an election**

**Next review date: See below**

**Reviewed by: Joint Management Committee**

**Version: 13**

### **Adopted by:**

**Alconbury & Ellington Internal Drainage Board  
(Next review date: November 2026)**

**Bedfordshire & River Ivel Internal Drainage Board  
(Next review date: November 2027)**

**Buckingham & River Ouzel Internal Drainage Board  
(Next review date: November 2026)**

## FINANCIAL REGULATIONS

### GENERAL:

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

References in these Regulations to the Responsible Officer(s) or Board Member(s) are to any Officer or Member specifically nominated by the Boards to carry out a prescribed function of the Boards:

Chief Executive (referred to hereinafter as the "CX")  
Responsible Finance Officer ((referred to hereinafter as the "RFO")  
Finance and Rating Officer (referred to hereinafter as the "FRO")  
Principal Engineer (referred to hereinafter as the "PE")  
Operations Manager (referred to hereinafter as the "OM")  
Executive Assistant (referred to hereinafter as the "ExA")  
Administration Assistant (referred to hereinafter as the "AA")  
Works Supervisor (referred to hereinafter as the "WS")

The names of the members of staff currently occupying these roles are shown in Appendix A.

### FINANCIAL ADMINISTRATION AND CONTROL:

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

The RFO shall be responsible to the CX, 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 2015, 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 special levies for the coming year may be determined.

Responsible Officers shall be authorised to incur expenditure included in the approved annual estimates/budgets without further reference to the Joint Management Committee or the Boards. The CX shall be the responsible budget holder for all capital works projects. The OM shall be the responsible budget holder for all maintenance works expenditure. The ExA shall be the responsible budget holder for all office admin expenditure. The CX shall be the responsible budget holder for all other expenditure.

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

### RESERVES:

Capital Development/Commutated 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 – each Member Board 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.

## FINANCIAL REGULATIONS

### 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 FRO 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 FRO.

The Rating Ledger and Rate book shall be maintained by the RFO, assisted by the FRO.

The RFO and FRO shall maintain and promptly enter up accurate details of the money received each day into their charge on behalf of the Boards and details should be 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 IDB and Buckingham and River Ouzel IDB have the ability to accept drainage rating payments by debit card over the telephone using Lloyds Bank Internet Payment Gateway. The inputting of card details and recording of personal information will be processed in accordance with Data Protection legislation/regulation.

Receipts in the form presented by the RFO shall be prepared by the official concerned on each 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 in excess of £100.00 per Hereditament for the Boards' approval.

### PROCUREMENT OF GOODS AND SERVICES:

Capital works loans where any capital expenditure is to be defrayed out of loan, the sanction for the loan shall be obtained from the individual Board and Defra 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 CX shall be responsible for managing the capital works budgets and arranging/keeping details of capital works contracts entered into by the Boards, and the PE shall be responsible for keeping details of payments made under such contracts.

The OM shall be responsible for managing the maintenance work, rechargeable work, stock and mobile plant procurement budgets and arranging/keeping details of such contracts entered into by the Boards and of payments made under such contracts.

On completion of a capital or maintenance works contract the FRO shall examine the final account for arithmetical accuracy.

## FINANCIAL REGULATIONS

The following procedures shall be followed in connection with the procurement of all goods and services:

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

All orders for goods or services shall be recorded on an official purchase order. When goods and services are ordered details of the price and discount (if any) shall be inserted. It is recognised that it may not be possible to obtain quotes/estimates for services in advance, and where this occurs, if the cost is likely to be above £5,000, the RFO must be notified and the RFO/CX must approve the order, prior to it being issued. Copies of written quotations/estimates, including email correspondence, where available, shall be attached to the official purchase order and given to the FRO for inclusion with the Purchase Invoice.

All the Responsible Officers listed in Appendix A, including the WS (and if absent from work, the Foremen), can place orders for goods and services up to and including £1,000 (excluding VAT), with the exception of the AA, who can place orders up to and including £500 (excluding VAT), subject always to the responsible budget holder's consent as defined in the Annual Estimates and Budgetary Control section above. All orders for goods and services between £1,001 and £5,000 (excluding VAT) can be placed by either the CX, RFO, FRO, OM or PE, subject always to the responsible budget holder's consent as defined in the Annual Estimates and Budgetary Control section above.

All orders for goods and services over £5,000 must be approved and signed for (electronically or physically) by the CX or RFO prior to being issued.

These procurement procedures exclude:

- i) The necessary procurement of goods and services in the event of an emergency, which instead will be subject to consultation with the Chairman of the Joint Management Committee or the Chairman of the relevant Board, as appropriate, and
- ii) Contracts with retained Engineering, Legal, Ecological, Health and Safety and Personnel Consultants, etc. - see Appendix B below for the list of approved specialist preferred suppliers. Instead, all contracts that are entered into with such suppliers must have a budget approved by the Boards and must be co-authorised before being entered into by the CX or RFO.

### PETTY CASH:

A single petty cash imprest system of £200 shall be maintained by the FRO 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 CX, RFO, OM, WS and ExA may hold a business credit card, with a monthly limit of £2,000 for payment of expenses and goods and services, including internet orders, subject always to the responsible budget holder's consent as defined in the Annual Estimates and Budgetary Control section above. Monthly statements are to be signed and countersigned by either the RFO or FRO 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.

## FINANCIAL REGULATIONS

### PAYMENT OF ACCOUNTS:

All invoices claims and accounts shall be checked, and coded, such approvals being indicated by the signature (electronically or physically) of the responsible budget holder(s).

All payments made to King's Lynn IDB (Water Management Alliance) covered by the agreement relating to the provision of Management and other Professional Technical and administrative services, require either the Chair or Vice-Chair of the Bedford Group's Joint Management Committee's approval prior to payment.

A schedule of all account payments including Bank Automated Credit System (BACS), Direct Debits and cheques shall be prepared by the FRO and approved/signed by the RFO/CX prior to being processed. Payments exceeding £10,000 will also be co-authorised by the CX.

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

A schedule listing all payments summarised by supplier that are made from each individual Board's bank account will be prepared by the FRO for approval at each Board meeting and once approved, all such payments over £500 will be published on the Group's website. For the avoidance of doubt, this will exclude all transfer payments that are made from the Boards bank accounts to the Group's bank account.

The RFO shall undertake an examination of all payments cleared through the Boards' bankers and shall arrange for the reconciliation of cash and all bank accounts on a regular basis, but at least at monthly 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 for any individual Board shall be opened without the prior approval of the individual Board.

The CX, RFO and Board Chairman shall be authorised signatories for the Bank Account.

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

The Chairman and Vice-Chairman of the individual Board, on receipt of a schedule of income and expenditure from the RFO, shall be authorised by their Board to sanction payments from the individual Board's bank account. For the avoidance of doubt, the Chairman and Vice-Chairman of the individual Board can sanction these payments by requesting the CX or the RFO in writing by email to make these payments electronically on their behalf, in addition to being able to sign cheques as a means of making these payments. Where the CX or RFO have been requested by the Chairman or Vice-Chairman in writing by email to make these payments, the CX or RFO shall speak to the Chairman or Vice-Chairman before making the payment to authenticate the request.

Any changes to the individual Board's bank signatory mandate must be pre-authorised by the individual Board.

## FINANCIAL REGULATIONS

### 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 a bank account known as the Bedfordshire and River Ivel Group Account. No new Bank Accounts for the Group shall be opened without the prior approval of the Joint Management Committee.

The CX, RFO and Chairman of the Joint Management Committee shall be authorised signatories for the Bank Account.

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

Any changes to the Group's bank signatory mandate must be pre-authorised by the Joint Management Committee.

### **SALARIES:**

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

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

The FRO 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 of current and past employees for the proper administration of PAYE & NI and superannuation contributions, and for liaising with HMRC and Bedford Borough Council, the pension scheme's administering body, for payments of both contributions and pensions to former employees.

### **STORES AND STOCK ACCOUNTS:**

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

The FRO, in conjunction with the WS, shall carry out a physical stock take at the end of each financial year and at *ad hoc* times throughout the year.

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

### **ASSETS:**

All assets over £5,000 in value owned by the Board(s) 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, or
- via part exchange, or
- via an appropriate alternative process as authorised by the CX (this will also include items valued at less than £5,000).

## **FINANCIAL REGULATIONS**

### **INSURANCE:**

The CX and ExA shall be responsible for ensuring that all insurable risks of the Board are adequately covered. The FRO 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 ExA/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 otherwise covered 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 RFO to notify the CX who will then inform the Chairman of the Group 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 employee's Terms and Conditions of Employment.

### **REVIEW OF FINANCIAL REGULATIONS:**

If at any time the CX, RFO or Auditors consider that these Financial Regulations require amendment, a report shall be submitted to the Joint Management Committee for consideration. If approved, the Joint Management Committee will then report on the changes to the individual Boards in the Group. The CX shall be empowered to issue any supplementary guidance to these Financial Regulations, as he/she thinks fit.

A full review of these Financial Regulations and its Appendices shall be carried out by the Joint Management Committee at least once every five-years.

### **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**

The Responsible Officers currently occupying the roles stated in the Financial Regulations above, are as follows:

Phil Camamile, Chief Executive (CX)  
Nicole Hunter, Principal Accountant/Responsible Finance Officer (RFO)  
Trevor Skelding, Principal Engineer (PE)  
Phil Lovesey, Operations Manager (OM)  
Alice Smith, Executive Assistant (ExA)  
Nadia Iantosca, Finance and Rating Officer (FRO)  
Simon Fox, Works Supervisor (WS)

Before any Responsible Officer is added to/removed from this list the Joint Management Committee's approval is required and will be sought.

## FINANCIAL REGULATIONS

### Appendix B

#### Current, specialist, preferred suppliers

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

Cope Safety Management	Utilize IT Support
Dams & Reservoirs Ltd	Ward Ecology
Inter-Lec Ltd.	Wilkin Chapman Solicitors
Surrey Independent Advisers Ltd	Woodfines Solicitors
Stantec	Xylem Water Solutions UK Ltd
TIAA, Internal Auditors	

Before any supplier is added to/removed from this list the Joint Management Committee's approval is required and will be sought.



Version Control

Version	Changes made	Date
Previous versions	See copies in folder: R:\Policies_Procedures\Previous versions	-
Version 12	<p>Format changed to match new policy formats</p> <p>Administration Assistant added to procurement of goods and service</p> <p>Authorisation for payments relating to Kings Lynn Drainage Board</p> <p>Name change following marriage for Nicole Souter to Nicole Hunter</p> <p>Works Supervisor, previously incorrectly referred to as Works Manager</p> <p>Croner Group Ltd. removed from Current, specialist, preferred suppliers list following termination of contract</p> <p>Introduction of Inter-Lec Limited to Current, specialist, preferred suppliers list.</p>	April 2024
Version 13	No changes made, policy document front page simply updated following approval at Bedfordshire and River Ivel Board meeting following election.	November 2024