



# Danvm Drainage Commissioners

## Financial Regulations

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## CONTENTS

1.	General.....	3
2.	Accounting and Audit (Internal and External).....	5
3.	Annual Estimates (Budget) and Forward Planning .....	6
4.	Budgetary Control and Authority to Spend .....	6
5.	Banking Arrangements and Authorisation of Payments.....	8
6.	Instructions for the making of payments.....	8
7.	Payment of Salaries.....	10
8.	Loans and Investments .....	11
9.	Income.....	11
10.	Orders for Work, Goods and Services .....	12
11.	Contracts .....	12
12.	Payments Under Contracts for Building or other Construction Works .....	14
13.	Stores and Equipment.....	15
14.	Assets, Properties and Estates .....	15
15.	Insurance.....	16
16.	Risk Management .....	16
17.	Suspension and revision of Financial Regulations .....	16
	Appendix A Financial Scheme of Delegation (FSoD) Lookup Table.....	17

## 1. General

- 1.1. These financial regulations govern the conduct of financial management by the Board and may only be amended or varied by resolution of the Board. Financial regulations are one of the Board's governing policy documents providing procedural guidance for members and staff. Financial regulations must be observed in conjunction with the Board's Standing Orders<sup>1</sup> and any individual financial regulations relating to contracts.
- 1.2. The Board is responsible in law for ensuring that its financial management is adequate and effective and that the Board has a sound system of internal control which facilitates the effective exercise of the Board's functions, including arrangements for the management of risk.
  - 1.1. The Board's accounting control systems must include measures:
    - for the timely production of accounts;
    - that provide for the safe and efficient safeguarding of public money;
    - to prevent and detect inaccuracy and fraud; and
    - identifying the duties of officers.
- 1.3. These financial regulations demonstrate how the Board meets these responsibilities and requirements.
- 1.4. At least once a year, prior to approving the Annual Governance Statement, the Board must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.5. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.6. Members of the Board are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of Board Member into disrepute.
- 1.7. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Board. The Chief Executive (CEO) has been appointed as RFO for this Board and these regulations will apply accordingly.
- 1.8. The CEO is supported by the Director of Policy & Finance (DPF) in carrying out the day to day responsibilities of the RFO. The CEO/DPF may delegate certain tasks to Authorised Officers; where Authorised Officers are referred to in these regulations, these comprise the following positions:
  - Director of Operations (DO)

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<sup>1</sup> The Standing Orders can be viewed on the Board's website.

- Senior Finance Officer
- Executive Assistant
- Rating Officer
- Finance Assistant
- Managers

1.9. The CEO, in conjunction with the DPF;

- acts under the policy direction of the Board;
- administers the Board's financial affairs in accordance with all Acts, Regulations and proper practices;
- determines on behalf of the Board its accounting records and accounting control systems;
- ensures the accounting control systems are observed;
- maintains the accounting records of the Board up to date in accordance with proper practices;
- assists the Board to secure economy, efficiency and effectiveness in the use of its resources; and
- produces financial management information as required by the Board.

1.10. The accounting records determined by the CEO/DPF shall be sufficient to show and explain the Board's transactions and to enable the CEO/DPF to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Board from time to time comply with the Accounts and Audit Regulations.

1.11. The accounting records determined by the CEO/DPF shall in particular contain:

- entries from day to day of all sums of money received and expended by the Board and the matters to which the income and expenditure or receipts and payments account relate;
- a record of the assets and liabilities of the Board; and
- wherever relevant, a record of the Board's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.

1.12. The accounting control systems determined by the CEO/DPF shall include:

- procedures to ensure that the financial transactions of the Board are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
- procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
- identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
- procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the Board for approval to be written off except with the approval of the CEO/DPF and that the approvals are shown in the accounting records; and

- measures to ensure that risk is properly managed.

1.13. In these financial regulations, references to the Accounts and Audit Regulations or ‘the regulations’ shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

1.14. In these financial regulations the term ‘proper practice’ or ‘proper practices’ shall refer to guidance issued in *Governance and Accountability for Smaller Authorities in England (usually updated annually)* issued by the Joint Panel on Accountability and Governance (JPAG)<sup>2</sup>.

## **2. Accounting and Audit (Internal and External)**

2.1. All accounting procedures and financial records of the Board shall be determined by the CEO/DPF in accordance with the Accounts and Audit Regulations, appropriate guidance, other Board policies and proper practices.

2.2. The CEO/DPF shall ensure completion of the annual statement of accounts, annual report, and any related documents of the Board contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Board within the timescales set by the Accounts and Audit Regulations.

2.3. The Board shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the Board shall make available such documents and records as appear to the Board to be necessary for the purpose of the audit and shall, as directed by the Board, supply the CEO/DPF, internal auditor, or external auditor with such information and explanation as the Board considers necessary for that purpose.

2.4. The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Board in accordance with proper practices.

2.5. The internal auditor shall:

- be competent and independent of the financial operations of the Board;
- report to the Board in writing, or in person, on a regular basis with a minimum of two annual written reports during each financial year;
- demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
- have no involvement in the financial decision making, management or control of the Board.

2.1 Internal or external auditors may not under any circumstances:

- perform any operational duties for the Board;

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<sup>2</sup> Available online at: <https://www.nalc.gov.uk/library/publications/2897-the-practitioners-guide/file>

- initiate or approve accounting transactions; or
  - direct the activities of any Board employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
  - For the avoidance of doubt, in relation to internal audit the terms ‘independent’ and ‘independence’ shall have the same meaning as is described in proper practices.
- 2.6. The CEO/DPF or Authorised Officer shall make arrangements for the exercise of electors’ rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations.
- 2.7. The CEO/DPF shall, without undue delay, bring to the attention of all Board Members any correspondence or report from internal or external auditors.

### **3. Annual Estimates (Budget) and Forward Planning**

- 3.1. The CEO/DPF must each year, by no later than January, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by any Standing Committee<sup>3</sup> and the Board.
- 3.2. The Board shall fix the drainage rate and special levy for the ensuing financial year before 15<sup>th</sup> February each year, in accordance with the Land Drainage Act 1991. The CEO/DPF or Authorised Officer shall issue the Special Levy to the billing authority(ies).
- 3.3. The approved annual budget shall form the basis of financial control for the ensuing year.

### **4. Budgetary Control and Authority to Spend**

- 4.1. Expenditure may be authorised by the Chairman, CEO<sup>4</sup>, DPF and DO up to the amounts included for that class of expenditure in the approved budget or approved Capital Programme, without further reference to the Board or Standing Committee.
- the CEO in the case of payroll, taxes, statutory payments
  - the CEO for capital projects up to the value approved by the Board in the Capital Programme
  - the CEO, in conjunction with the Chairman of Board, for any items up to £50,000;
  - the CEO, for items up to £30,000;
  - Directors for items up to £15,000; and
  - other officers authorised by the CEO, for items up to a maximum authorised value of £6,000 within conditions prescribed within a written mandate<sup>5</sup>.

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<sup>3</sup> Meaning a Standing Committee appointed to consider policy, finance, executive and payroll matters.

<sup>4</sup> For practical day-to-day management purposes or absence the CEO may delegate his authority to the DPF.

<sup>5</sup> An authorised officer may only procure goods or services in a way described within a written mandate.

- 4.2. Contracts may not be disaggregated to avoid controls imposed by these regulations.
- 4.3. No planned expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure by £50,000 other than by resolution of the Board or any Standing Committee (where financial schemes of delegation are made). During the budget year and with the approval of the Board having considered fully the implications for the Board's services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').
- 4.4. Unspent provisions in the revenue budgets for completed projects shall not be carried forward to a subsequent year.
- 4.5. Should the value of rechargeable works (works funded by external organisations) and therefore rechargeable expenditure (works carried out on behalf of external organisations) increase above the approved budget amount between Board meetings and such amounts are confirmed by the external funder, the CEO/DPF may make adjustments to the budget to account for this additional income and expenditure.
- 4.6. Payroll budgets are to be reviewed at least annually for the following financial year. The CEO/DPF will inform the Board of any changes impacting on the budget requirement for the coming year.
- 4.7. In the case of emergencies or extreme urgency, the CEO or Directors may authorise revenue expenditure on behalf of the Board, which the CEO believes is necessary. Such expenditure includes necessary works to respond a flooding emergency, and emergency repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £50,000. The CEO shall report such action to the Chairman as soon as possible and to the Board as soon as practicable thereafter.
- 4.8. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Board is satisfied that the necessary funds are available and if necessary, that the requisite borrowing/grant approval has been obtained.
- 4.9. The Board should approve the capital programme including the available fund value of each scheme and review at each Board meeting thereby authorising the CEO/DPF to enter into contracts and make payments to the available fund value of schemes.
- 4.10. All capital works shall be administered in accordance with the Board's financial regulations relating to contracts.
- 4.11. The CEO/DPF shall regularly provide the Board with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of 15% of the budget.

- 4.12. The CEO/DPF may make recommendations to adjust the budget during the financial year to respond to any changing circumstances, to accommodate changes in projected income or expenditure. Any such proposal will be included in a report to the Board with specific recommendations for ratification by the full Board.
- 4.13. Changes in the discretionary use of reserves shall be approved by the Board as part of the budgetary control process.

## **5. Banking Arrangements and Authorisation of Payments**

- 5.1. The Board's banking arrangements, including the bank mandate(s), shall be made by the CEO/DPF and approved by the Board; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency.
- 5.2. The signing rules (for issuing of cheques) shall be up to £5,000 when signed CEO or Directors alone, up to £15k when signed by CEO + DPF or CEO + DO and up to £30k when signed by CEO + DPF + Chair or CEO + DO + Chair or CEO + DPF + Vice Chair or CEO + DO + Vice Chair otherwise by authority of the Full Board (as minuted).
- 5.3. The Responsible Officer will pass all invoices to the CEO or Directors to be examined, verified and certified to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Board.
- 5.4. The Responsible Officer shall notify the CEO/Directors/Officer Authorised by the CEO of any changes in the recorded details of suppliers, such as bank account records, and ensure these are verified with the supplier.
- 5.5. The CEO/Directors/Officer Authorised by the CEO shall examine invoices for arithmetical accuracy and authenticity and assign them to the appropriate expenditure heading (Cost Code). The payment shall be authorised by the CEO/Directors in accordance with Financial Regulation 4.1.
- 5.6. As part of the Agenda for every Board Meeting, the Responsible Officer shall prepare a schedule of Invoices Paid and Accounts Settled above £500, to be presented to the Board. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information. Payments below £500 may be summarised as a combined total.
- 5.7. The Board shall review the schedule for compliance and, having satisfied itself shall approve the schedule by a resolution of the Board. The approved schedule shall be initialled by the Chairman of the Meeting and shall be disclosed within or as an attachment to the minutes of the meeting at which it was approved.

## **6. Instructions for the making of payments**

- 6.1. The Board will make safe and efficient arrangements for the making of its payments.
- 6.2. Following authorisation under Financial Regulation 5 above, the CEO/DPF shall give instruction that a payment shall be made.



- 6.3. All payments shall be affected by BACS or other instructions to the Board's bankers. For recurring payments, the CEO/DPF may set up a direct debit agreement. In occasional circumstances, if deemed necessary the CEO/DPF may execute an instant payment using online banking.
- 6.4. For any payments made by cheque, the signatories shall each initial the cheque stub.
- 6.5. No employee or Board Member shall disclose any PIN or password, relevant to the working of the Board or its bank accounts, to any person not authorised in writing by the Board.
- 6.6. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 6.7. The Board, and any members using computers for the Board's financial business, must use a Board-computer that shall have the appropriate anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, provided by the Board's IT service provider.
- 6.8. Where internet banking arrangements are made with any bank, the CEO/DPF shall be appointed as the Service Administrator.
- 6.9. Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for Board banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.
- 6.10. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and having been independently verified by the Responsible Officer. Such changes to supplier records in the internet banking facility shall require authorisation by a Service Administrator (CEO/DPF).
- 6.11. Any Debit Card issued for use will be specifically restricted to the CEO/DPF who are authorised to operate a debit card for the purposes of petty cash withdrawals only, with a maximum single transaction limit of £500 up to 4 times per year.
- 6.12. Any corporate credit card or trade card account opened by the Board will be specifically restricted to use by the CEO or officer authorised by the CEO and shall be subject to automatic payment in full at each month-end. Staff should not use personal funds to make purchases on behalf of the Board without prior authorisation. Fuel cards will be issued to authorised operational staff with a delegated authority to purchase fuel for Board vehicles.
- 6.13. The CEO/DPF may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the CEO/DPF with a claim for reimbursement.

- a) The CEO/DPF shall maintain a petty cash float of up to £700 for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept substantiating the payment.
- b) Income received must not be placed into the petty cash float but must be separately accounted for, as provided elsewhere in these regulations.

## **7. Payment of Salaries**

- 7.1. As an employer, the Board shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by the Board, or any Standing Committee.
- 7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available Board meeting, as set out in these regulations above.
- 7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Board.
- 7.4. The CEO/DPF shall ensure that each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record shall be maintained by the Responsible Officer and is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
  - a) by Members of a Committee appointed by the Board to consider payroll matters
  - b) by the Board's Accountants / payroll services provider
  - c) the Board's Pension Provider
  - d) by the internal auditor;
  - e) by the external auditor; or
  - f) by any person authorised under Audit Commission Act 1998, or any superseding legislation or other relevant primary legislation.
- 7.5. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.6. An effective system of personal performance management should be maintained for all staff.

- 7.7. Any termination of employment payments shall be supported by a clear business case and reported to the Standing Committee. Termination payments shall only be authorised by Board, or its delegate(s).
- 7.8. Before employing interim staff, or a Standing Committee must authorise this having considered a business case.

## **8. Loans and Investments**

- 8.1. All borrowings shall be affected in the name of the Board, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by the Board as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by the full Board.
- 8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full Board. In each case a report in writing shall be provided to the Board in respect of value for money for the proposed transaction.
- 8.3. All loans and investments shall be negotiated in the name of the Board and shall be for a set period in accordance with Board policy.
- 8.4. The Board shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Board at least annually.
- 8.5. All investments of money under the control of the Board shall be in the name of the Board.
- 8.6. All investment certificates and other documents relating thereto shall be retained in the custody of the CEO/DPF.
- 8.7. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

## **9. Income**

- 9.1. The collection of all sums due to the Board shall be the responsibility of and under the supervision of the CEO/DPF.
- 9.2. Particulars of all charges to be made for work done, services rendered or goods supplied shall be reviewed annually by the Board, notified to the CEO/DPF and the CEO/DPF shall be responsible for the collection of all accounts due to the Board.
- 9.3. Any works undertaken by the Board for third parties shall attract a administration and overheads fee of 15% (reducing on a sliding scale) and a management fee which is included in the hourly rate for the staff member/plant day rate unless those fees are accounted for elsewhere in separate agreements. These rates shall be reviewed from time to time.

- 9.4. Any sums above £500 found to be irrecoverable and any bad debts shall be reported to the Board and shall be written off in the year.
- 9.5. All sums received on behalf of the Board shall be banked intact as directed by the CEO/DPF. In all cases, all receipts shall be deposited with the Board's bankers with such frequency as the CEO/DPF considers necessary.
- 9.6. The origin of each receipt shall be entered on the paying-in slip.
- 9.7. Personal cheques shall not be cashed out of money held on behalf of the Board.
- 9.8. The Responsible Officer shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.
- 9.9. Where any significant sums of cash are regularly received by the Board, the CEO/DPF shall take such steps to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to the Rate Book, and that appropriate care is taken in the security and safety of individuals banking such cash.

## **10. Orders for Work, Goods and Services**

- 10.1. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 10.2. Order books shall be controlled by the CEO/DPF or staff authorised by the CEO.
- 10.3. The CEO/Directors and Responsible Officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by undertaking a market comparison, seeking quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11.1 below.
- 10.4. Under no circumstances may a Board Member issue an official order or make any contract on behalf of the Board without the express delegated authority of the CEO/DPF.
- 10.5. The CEO/DPF shall verify that any purchase or contract is made in accordance with the Public Contract Regulations 2015.

## **11. Contracts**

- 11.1. Procedures as to contracts are laid down as follows:
  - a) Every contract shall comply with these financial regulations, and no exceptions shall be made, this regulation need not apply to contracts or circumstances which relate to items (i) to (viii) below:

- i. negotiated procurement for works of extreme urgency brought about by events unforeseeable by the contracting authority where the time limits for the open or restricted procedures or competitive procedures cannot be complied with, defined under S32 of the Public Contract Regulations 2015.
  - ii. negotiated procurement in the case where a supplier has removed machinery, equipment or plant for fault or service diagnosis which has involved substantial disassembly of the apparatus to diagnose the fault or service requirement, follow on repair or service work is found to be required before reassembly and it is for these technical reasons it is not a practical or economic proposition to follow open or restricted procedures or competitive procedures. S32 Public Contract Regulations 2015.
  - iii. for the Board's Accountant, Solicitor, Internal Auditor, Valuer, Consulting Engineer, Hydrologist and IT Service Provider where these professionals have been appointed by the Board and the values of individual contracts do not exceed £25,000.
  - iv. for the supply of gas, electricity, water, sewerage and telephone services;
  - v. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
  - vi. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Board;
  - vii. for goods, services or materials proposed to be procured which are proprietary articles and / or are only sold at a fixed price or where reasonable enquiries identify only a single supplier exists.
  - viii. where agreements between the Board and other public authorities fall outside of the scope of the relevant part of the public contract regulations defined under 12(7) of the Public Contract Regulations 2015.
- b) Where the Board intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 ("the Regulations") which is valued at £25,000 or more, the Board shall invite a minimum of 3 to tender and advertise these works as legally required OR follow an 'enhanced procurement route' by selecting a supplier from an UK legislatively compliant public framework agreement.
- c) The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in the regulations set by the Public Procurement (Agreement on Government Procurement) (Thresholds) (Amendment) Regulations 2021 (which may change from time to time).
- d) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Board.

- e) The CEO may appoint an officer or external representative to manage the tender process who may be the Board's Solicitor, Consulting Engineer, or a UK legislatively compliant public framework provider.
- f) Such invitation to tender shall state the general nature of the intended contract.
- g) In the case of a physical tender process, the invitation shall state that tenders must be addressed to the appointed representative in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract. All sealed tenders shall be opened at the same time on the prescribed date in the presence of at least two members of staff of the Board or appointed representative.
- h) In the case of an electronic tender process, a secure timestamped system such as password protected email or secure online web portal may be used to issue, receive, and record tenders. Any such system should be regulated by at least two members of staff of the Board or appointed representatives.
- i) Any invitation to tender issued under this regulation shall refer to the terms of the Bribery Act 2010.
- j) When the Board is to enter into a contract between £15,000 and £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the CEO/Directors shall invite 3 quotations or estimates (priced descriptions of the proposed supply) OR follow an 'enhanced procurement route' by selecting a supplier from UK legislatively compliant public framework agreement.
- k) Where the value is below £15,000 the CEO/Directors shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by undertaking a market comparison.
- l) The Board shall not be obliged to accept the lowest or any tender, quote or estimate.
- m) Should it occur that the Board does not accept any tender, quote or estimate, the work is not allocated, and the Board requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.

## **12. Payments Under Contracts for Building or other Construction Works**

- 12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the CEO/Directors upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2. Where contracts provide for payment by instalments the CEO/Directors shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 15% or more a report shall be submitted to the Board.

- 12.3. Any variation to a contract or addition to or omission from a contract must be approved by the CEO to the contractor in writing, the Board being informed where the final cost is likely to exceed the financial provision.

### **13. Stores and Equipment**

- 13.1. The CEO/Directors (as appropriate) shall be responsible for the care and custody of stores and equipment in the Board's offices, depot and other premises.
- 13.2. Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 13.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4. The CEO/DPF/DO shall be responsible for periodic checks of stocks and stores at least annually.

### **14. Assets, Properties and Estates**

- 14.1. The CEO shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Board. The CEO/DPF shall ensure a record is maintained of all properties held by the Board, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- 14.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Board, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed the budgetary control values set out in Section 4.
- 14.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the Board, together with any other consents required by law. In each case a report in writing shall be provided to the Board in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case.
- 14.4. No real property (interests in land) shall be purchased or acquired without the authority of the full Board. In each case a report in writing shall be provided to the Board in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case.
- 14.5. Subject only to the limit set in Regulation 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full Board. In each case a report in writing shall be provided to Board with a full business case.
- 14.6. The CEO/DPF shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date. The continued existence of tangible assets shown in the

Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.

## **15. Insurance**

- 15.1. Following the annual risk assessment (per Regulation 16), the CEO/DPF shall affect all insurances and negotiate all claims on the Board's insurers.
- 15.2. The CEO shall give prompt notification of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances
- 15.3. The CEO/DPF shall keep a record of all insurances effected by the Board and the property and risks covered thereby and annually review it.
- 15.4. The CEO/DPF shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to the Board at the next available meeting.
- 15.5. All appropriate members and employees of the Board shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually.

## **16. Risk Management**

- 16.1. The Board is responsible for putting in place arrangements for the management of risk. The CEO shall prepare, for approval by the Board, risk management policy statements in respect of all activities of the Board. Risk policy statements and consequential risk management arrangements shall be reviewed by the Board at least annually.
- 16.2. When considering any new activity, the CEO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Board.

## **17. Suspension and revision of Financial Regulations**

- 17.1. It shall be the duty of the Board to review the Financial Regulations of the Board from time to time. The CEO shall make arrangements to monitor changes in legislation or proper practices and shall advise the Board of any requirement for a consequential amendment to these Financial Regulations.
- 17.2. The Board may, by resolution of the Board duly notified prior to the relevant meeting of Board, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of the Board.



## Appendix A – FsoD Lookup Table

Financial Scheme of Delegation Lookup Table											
Criteria to be Met (Where Applicable)						Financial Authorisation Limits (When Relevant Criteria Met)					
Budget Approval Given	Professional Services (Less than £25k)	Goods and Services (Less than £15k)	Goods and Services (£15k to £25k)	Contracts Above (£25k to UK Thresholds)	UK Threshold	Extreme Urgency	Authoriser		Value of Goods/Services		
							Other Staff		Up to £6k (With Mandate)		
							Directors		Up to £15k		
							CEO		Up to £30k (See Note 2)		
Is within current Approved Budget or Approved Capital Programme						CEO or Directors Authorised to spend £50k in extreme urgency and discuss with Chairman ASAP. (See Note 1)		CEO + CHAIR		£30k - £50k	
						Follow procedures in Public Contract Regulations OR use suitable Public Contract Framework Agreement. (See Note 1)		FULL BOARD		> £50k (See Note 3)	
						Invite 3 to tender (if publicly advertising place on contracts finder) OR use suitable Public Contract Framework Agreement. (See Note 1)					
Appointed professional service providers of the Board may be instructed directly						Estimates / Quotations / supplier from existing contract OR use suitable Public Contract Framework Agreement. (See Note 1)					
						Best available terms by undertaking reasonable search of market					
Criteria need not be met for exceptional circumstances set out in the Contracts section of the Financial Regulations						Except in the case of payroll, taxes, statutory payments and Capital Programme in accordance with the Budgetary Control and Authority to Spend section of the Financial Regulations					
<b>Note 1</b>						<b>Note 2</b>					
<b>Note 1</b>						<b>Note 3</b>					