

## Document Control

<b>Title</b>	Financial Regulations
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<b>Approver</b>	Executive Sub-Committee (ESC)
<b>Owner</b>	Southern IFCA

## Revision History:

Version	Author	Details	Approver
Version 1	Pia Bateman	<p>The ESC agreed to review the Standing Orders and wider Constitution in December 2021, delegating this responsibility to the Chief Executive Officer. A review since commenced and in accordance with paragraph [35,d,ii,i] of the Standing Orders 2018, the Executive Committee are empowered to consider and make recommendations to The Authority on the updates to the Standing Orders. The existing Standing Orders, Financial Regulations and Code of Conduct (2018) were separated into three standalone documents for ease of reading and regulation of Southern IFCA business.</p> <p>The notable changes to the financial Regulations are:</p> <ul style="list-style-type: none"> <li>a) Introduction of paragraphs (25) and (26) regarding employee expenses.</li> <li>b) Changes to payment authorisation values: <ul style="list-style-type: none"> <li>a. Paragraph (27) has increased from £250 to £500</li> <li>b. Paragraph (28) has increased from £250 to £500</li> <li>c. Paragraph (29) allows for CO and either DCO or BSM to approve payments up to £2,500 (previously capped at £500)</li> <li>d. Paragraph (31) allows for the Chairman to approve payments between £2,500 and £5,000 (previously starting at £500)</li> </ul> </li> </ul>	ESC: 9 <sup>th</sup> June 2022.
Version 2	Pia Bateman	<p>To align the Financial Regulations 2022 with an updated system of financial reporting which parallels with operational and business delivery for the forthcoming financial year.</p> <p>Recommendation:</p> <p>(1) That, the following amendment is made under paragraph (1,g) of the Financial Regulations 2022: <i>'Major Budget Heads' shall be mean the following nominal ledgers: Administration, Marine Assets, Vehicles and Travel, Capital Equipment and Income.</i></p> <p>To become:</p> <p><i>'Major Budget Heads' shall be mean the following nominal ledgers: Business Services, Compliance &amp; Enforcement, Research &amp; Policy, Capital Equipment and Income.</i></p> <p>For Business Services Manager (BSM) to be replaced with Finance and Administration Manager (FAM).</p>	ESC: 6 <sup>th</sup> December 2022.
Version 3	Pia Bateman	<p>For Finance and Administration Manager (FAM) to be replaced with either Office Manager (OM) or Accounts Administrator (AA).</p>	ESC: September 2023

# **SOUTHERN INSHORE FISHERIES AND CONSERVATION AUTHORITY**

## **FINANCIAL REGULATIONS**

**Version 3: July 2023**

### **INTRODUCTION**

These Financial Regulations are made for the regulation of the business of the Southern Inshore Fisheries & Conservation Authority (IFCA) pursuant to and in accordance with The Southern Inshore Fisheries & Conservation Order 2010 No. 2198.

### **INTERPRETATION**

(1) In these Financial Regulations:

- a) 'Audit and Governance' shall mean the Audit and Governance (AGC) Sub-Committee of The Authority, as established in Section 2 of the Southern IFCA Standing Orders.
- b) 'The Authority' means Southern Inshore Fisheries and Conservation Authority as defined in paragraph (2) and (4) of the Southern IFCA Order 2010.
- c) 'Chief Officer' means the person appointed by the Authority as the head of paid service as designated under Section 4(1) of The Local Authorities (Standing Orders) Regulations 1993.
- d) 'Constituent Councils of Southern IFCA' shall mean those relevant councils listed under paragraph (5,3) of the Southern IFCA Order 2010.
- e) 'Council Member' means a person elected as a councillor and appointed to the Authority by a local authority as defined under paragraph (5, 2a) Southern IFCA Order 2010.
- f) 'Executive' shall mean the Executive Sub Committee of The Authority, as established in Section 2 of the Southern IFCA Standing Orders.
- g) 'Major Budget Heads' shall mean the following financial categories: Business Services, Compliance & Enforcement, Research & Policy, Capital Equipment and Income.
- h) 'Minor Budget Heads' shall mean sub-categories of the 'Major Budget Heads' financial categories.
- i) 'Standing Orders' shall mean the Southern IFCA Standing Orders.

### **ANNUAL ESTIMATES (BUDGET)**

- (2) Detailed estimations of receipts and payments including the use of reserves and all sources of funding for the year shall be prepared annually by the Accountant and Chief Officer (CO) in the form of a budget to be considered by the AGC prior to the Executive.
- (3) The Executive shall review the budget and make a recommendation to the Authority no later than the end of December each year on the precept to be levied for the ensuing financial year.
- (4) The precept shall be considered by the Authority in line with the Standing Orders and, after any revisions, the Office Manager (OM) shall submit them to the constituent Councils of Southern IFCA by 14 February each year.
- (5) The annual budget shall form the basis of financial control for the ensuing year.
- (6) Once the budget is approved, there shall be no transfers of funds between the Major Budget Heads except with the approval of the Executive.
- (7) Transfers between Minor Budget Heads may be authorised by the CO.

### **BUDGETARY CONTROL**

- (8) At each meeting of the AGSC and Executive, the Accountant and/or CO shall report on the financial position of the Authority.
- (9) At each meeting of The Authority, the Accountant and/or CO or Chairman of the Executive shall report on the financial position of the Authority.
- (10) Expenditure not provided for in the budget may be approved by the Executive.
- (11) All ex-VAT payments over £5,000, with the exception of salaries, PAYE, pension contributions and regular payments are to be reported to the Executive on a Budgetary Control Statement.
- (12) The CO, in consultation with the Chairman may incur expenditure on behalf of the Authority which is necessary to carry out any repair, replacement or other work which is of such urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £50,000.

## **ACCOUNTING**

- (13) The Accountant and CO is responsible for keeping the financial records of The Authority and accounting procedures will reflect best professional practices.
- (14) The Accounts Administrator (AA) shall be responsible for the prompt settlement of all bills incurred and for keeping pay records of all Authority's employees, ensuring the prompt payment of salaries due, as well as liaison with the various authorities to ensure correct deductions are made and pension contributions paid.
- (15) The AA/OM shall be responsible for approving and supervising arrangements for the collection and banking of all income due to The Authority ensuring that cash held overnight shall not exceed the amount covered by insurance.
- (16) No debtor shall be excused payment due to The Authority other than with the approval of the Chairman.
- (17) The Authority shall authorise a petty cash account to a maximum of £75, excluding stamps, which will be run by the AA for cash transactions. This is to be accounted for using a cash book supported by receipts/stamp book, checked and countersigned by the Accountant, CO or a Deputy CO on a monthly basis.
- (18) The Accountant will be responsible for Authority's quarterly Budget Control Statements and Annual Accounts and any other reports needed to meet statutory or auditing requirements.
- (19) An annual Independent Chartered Accountants' Review shall be carried out in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial information and ICAEW Technical Release TECH 09/13AAF Assurance reviews on historical financial statements and should comply with the ICAEW Code of Ethics.
- (20) The annual Independent Chartered Accountants' Review will be carried out by an appropriate external accountant appointed by the Authority, or such accountants approved by the Authority following tender.
- (21) All financial information is to be available to the CO.

## **BANKING ARRANGEMENTS**

- (22) The CO and Accountant are authorised to make arrangements regarding the Authority's bank accounts. All such bank accounts will be in the name of Southern Inshore Fisheries and Conservation Authority.
- (23) The transfer of funds between the bank accounts held in the name of The Authority can only be authorised by the CO or the Accountant.
- (24) Any online banking payments or transfers shall require dual authorisation.
- (25) Bank payments can be approved by any two of the following authorised signatories: The CO, a Deputy CO, OM or AA.

## **EXPENDITURE**

### **EMPLOYEE EXPENSES**

- (26) Any two of the following persons are authorised to pre-approve employee expenses of up to £50: The CO, a Deputy CO, or OM.
- (27) Employee expenses exceeding £50 are to be pre-approved by The CO and either a Deputy CO or OM.

### **PAYMENT AUTHORISATIONS**

- (28) Any two of the following persons are authorised to approve payments of up to £500: The CO, a Deputy CO and the OM.
- (29) A Marine Operations Specialist is authorised to make payments of up to £500 for the purchase of fuel for a patrol vessel.
- (30) Payments of between £500 and up to £2,500 may be authorised by The CO (or Chairman in CO's absence) and either a Deputy CO or the OM.
- (31) All payments between £2,500 and £5,000 are to be authorised by the Chairman or Vice Chairman of The Authority.
- (32) With exception to paragraph (11), any payments exceeding £5,000 (with the exception of salaries, PAYE, pension contributions and regular payments outside the OM's control), are to be authorised by the Executive.

### **ASSETS AND EQUIPMENT**

- (33) A Register of Assets for items of £500 or more shall be maintained by the AA.

### **INSURANCE**

- (34) The OM and either the CO (property) or a Deputy CO (ref. marine assets) shall affect insurances and review these services periodically.

### **CAPITAL EXPENDITURE**

- (35) The de minimus limit for capitalising expenditure is £5000

## **PROCUREMENT OF EQUIPMENT OR SERVICES**

- (36) All purchasing and service arrangements shall be made through competent and recognised suppliers by the CO, a Deputy CO or OM.
- (37) For equipment or services greater than £500 but not exceeding £2,500 at least two written quotes shall be obtained.
- (38) For equipment or services above £2,500 not exceeding £10,000 at least three written quotes shall be obtained.
- (39) For equipment or services in excess of £10,000 but less than £50,000 at least four formal quotations to be submitted in writing by a specified date and time based on written specifications and evaluations criteria.

- (40) For equipment or services in excess of £50,000 at least four formal quotations to be submitted in writing by a specified date and time based on written specifications and evaluations criteria.
- (41) Notwithstanding the provisions above, given the specialist nature of the service, it may only be possible to obtain certain equipment or services from authorised dealers or providers within the region. Therefore, in such cases only one quote or tender shall be the norm following consideration of the CO and Chairman.
- (42) Paragraphs (35) to (39) shall not apply to the provision of legal services or other such professional fees, but the provisions of such services, especially the hourly costs, shall be subject to periodic review.

#### **DECLARATIONS OF INTEREST IN PROCUREMENT**

- (43) At the beginning of any procurement process the following persons shall declare in writing any pecuniary or non-pecuniary interests which may affect the procurement process:
  - (a) all Authority employees
  - (b) all Authority Members
  - (b) Contractors
  - (c) Contract consultants
  - (d) any other person involved in the procurement process.
- (44) The CO, DCO or OM shall keep a written register of all disclosable interests.
- (45) Any Authority employee or Member with a pecuniary interest shall not take part in the relevant procurement process.

#### **COMPLIANCE WITH STANDING ORDERS**

- (46) Every procurement contract entered into by or on behalf of The Authority shall comply with the Standing Orders and Financial Regulations and there shall be no departure from any of their provisions except by direction of the Executive.

#### **CONFORMITY WITH FINANCIAL REGULATIONS**

- (47) No contract shall be entered into unless the expenditure involved may properly be incurred under these Financial Regulations.

#### **CANCELLATION OF CONTRACT**

- (48) In every written contract a clause shall be inserted to ensure that The Authority shall be entitled to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if any of the terms of the agreement are not met.

## **DISPOSAL OF ASSETS**

(49) The Authority may, having regard to the effective and efficient delivery of the IFCA service:

- a. Dispose of assets to partner organisations at a nominal value less than that which could be achieved on the open market where it can be demonstrated, to the satisfaction of the Executive, that it is in the interest of the delivery of the duties and function of the IFCA to do so. In such cases the disposal maybe accompanied by a memorandum of agreement as to the use of the assets after disposal.
- b. Dispose of assets in 'part exchange' where such disposal can demonstrate a market value and only at the discretion of the CO in consultation with the Chairman.

(50) With exception to paragraph (49) disposal shall be as follows:

- a) Assets of an estimated value of £1,000 or less shall be disposed of at the discretion of the CO.
- b) Assets of an estimated value exceeding £1,000 but less than £5,000 shall be disposed of either by public auction or by tender after public advertisement at the discretion of the CO.
- c) Assets estimated to exceed £5,000 in value shall be disposed of after public advertisement by such method as the Executive considers will achieve the best price reasonably obtainable.

## **CHAIRMAN'S FUND**

(51) The Chairman's fund is to be expended by and at the discretion of the Chairman on items that do not have a specific budget allocation and promote the interests and/or efficiency of the Authority. A full list of all expenditure from this fund can be made available to Members on request.

## **REVISION OF FINANCIAL REGULATIONS**

(52) It shall be the duty of The ESC to review the Financial Regulations at a suitable frequency. The CO shall make arrangements to monitor changes in legislation or proper practices and shall advise the ESC accordingly.