



# **FINANCIAL PROBITY & FINANCIAL & ADMINISTRATIVE REGULATIONS**

May 2024

Version 1.5

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**Version Control/Document History:**

<b>Version &amp; Date</b>	<b>Comments</b>
Version 1.0 14 <sup>th</sup> June 2018	The original document was combined with Standing Orders and reviewed by the Authority on 14 <sup>th</sup> June 2018.
Version 1.1 8 <sup>th</sup> September 2021	The original text (including numbering and any grammatical or spelling errors) has not been altered. The original content has been re-published as a single document divided from the Standing Orders. The amended format will aid future reviews.
Version 1.2 20 <sup>th</sup> December 2021	Amendment to Part 2 (Section 13 (a) - Investments) to reflect the decision making of Authority Members (agenda item 7) at the Authority meeting held on 16 <sup>th</sup> December 2021.
Version 1.3	Reviewed by Chief Officer and Treasurer and presented to the Authority for approval at their meeting on 13 <sup>th</sup> October 2022. Content, including amendments to previous version (as set out in Officers' paper presented at the meeting) agreed by the Authority.
Version 1.4 (November 2023)	Document updated to reflect decision making by Members on 17 <sup>th</sup> December 2020 regarding D&S IFCA's Reserves Policy.
Version 1.5 (May 2024)	Document updated to reflect decision making by Members on 25 <sup>th</sup> of January 2024 to remove the requirement to have a minimum balance of £200,000 in the bank

## Part 1: Financial Probity

### 1. Interest of Members in Contracts and Other Matters

If any member of the Authority has a pecuniary interest direct or indirect within the meaning of Section 95 of the Local Government Act 1972 in any contract, proposed contract, or other matter, that member shall withdraw from the meeting and if the meeting is held in a building shall withdraw from the room including the public gallery while the contract, proposed contract, or other matter, is under consideration by the Authority unless

- a) the disability to discuss that matter imposed upon them has been removed by the Secretary of State under Section 97(1); or
- b) the contract, proposed contract, or other matter, is under consideration by the Authority as part of the report and is not itself the subject of debate.

## 2. Pecuniary Interest of Members

If any member of the Authority or any sub-committee thereof has any pecuniary interest in any contract, proposed contract, or other matter, the member shall declare that interest immediately before the item is considered and shall withdraw from the meeting while it is under consideration.

## 3. Interest of Officers in Contracts

The Clerk shall record in a book to be kept for the purpose particulars of any notice given by an officer of the Authority under Section 117 of the Local Government Act 1972, of a pecuniary interest in a contract, and the book shall be open during office hours to the inspection of any member of the Authority.

## 4. Authentication of Documents for Legal Proceedings

Where any document will form a necessary step in legal proceedings on behalf of the Authority it shall be signed by the Chief Officer unless any enactment otherwise requires or authorises, or the Authority gives the necessary authority to some other person for the purpose of such proceedings.

## 5. Conformity with Financial and Administrative Regulations

Value for money is at the core of the Authority's financial activity and the way in which it administers its financial affairs.

Compliance with statutory requirements, accounting standards and appropriate codes of practice will be inherent in the Authority's arrangements for financial matters.

No contract shall be entered into unless the expenditure involved may properly be incurred under the Authority's Financial and Administrative Regulations.

## 6. Purchasing Authority

### a) Delegated Purchasing Authority

Where the purchase price does not exceed £10,000 the Chief Officer shall be empowered to arrange procurement in accordance with the Authority's Financial and Administrative Regulations.

### b) Single Quotations and Tenders

The use of single tendering or quotation is allowed but will be restricted to items of specialist equipment where competitive tendering is not possible.

In the event of a single tender item over £5,000, suitable paperwork shall be made readily available to confirm due process has been followed. All single tendering exercises over £10,000 the Authority will be consulted.

### c) Quotation and Tender Acceptance

The Authority does not bind itself to accept the lowest quote but will seek best value.

## 7. Competitive Tendering Procedure over £10,000

- a) Whenever a tender is invited, the invitations shall state that each tender shall be delivered to the Chief Officer not later than a specified date and time, enclosed in a sealed envelope bearing the word "tender" followed by the subject to which it relates.

- b) Tenders shall be opened at one and the same time in the presence of the Chair or a responsible member designated by him/her and of the Chief Officer, or a responsible officer designated for the purpose. A record shall be maintained showing the number of tenders received and all tenders shall be kept for two years.
- c) The envelope of any tender received after the latest date and time for receipt shall be endorsed by the Chief Officer or his designated officer, with a note of the date and time of receipt. They shall open the late tender and inform the person who submitted it that it was received too late for consideration.

## 8. Compliance with British Standards

Where, in the opinion of the Chief Officer, a British Standard Specification, British Standard Code of Practice issued by the British Standards Institution or ISO standards, the contract shall require compliance therewith.

## 9. Cancellation of Contract

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.

## 10. Money Laundering Reporting

For the Authority the Chief Officer is appointed as the Money Laundering Reporting Officer and the Head of Devon Audit Services is appointed as the Deputy Money Laundering Reporting Officer.

They will be responsible for notifying the National Crime Agency (NCA) of any suspected cases of money laundering committed within the accounts of the Authority as soon as possible and fulfil other duties as defined by legislation or regulation related to the post. Simultaneously, the Authority Member's will be kept informed of any notifications to NCA and of any issues arising from them.

# Part 2: Financial and Administrative Regulations

## 1. General Regulations

- a) The Authority shall be responsible for the appointment of the Treasurer. For the time being, this shall be the officer of Devon County Council who holds Section 151 responsibilities under the Local Government Act 1972. It shall be the Treasurer's duty to ensure that safe and efficient arrangements are made for the management of the Authority's financial affairs. The Treasurer shall be the "responsible financial officer" for the purposes of the Accounts and Audit Regulations 2015 and shall be the Authority's principal advisor on financial matters. The Treasurer is responsible to the Authority for the discharge of his/her duties.
- b) The Chief Officer and Treasurer shall prepare estimates of expenditure, income budgets and cash flow predictions in consultation with and in such form and at such times as the Authority may require.
- c) The recommended revenue budget shall be submitted by the Chief Officer and Treasurer to the Authority and after any revisions, it shall approve them for submission to the funding authorities.

- d) Approval of the budget will authorise the Authority's officers to expend the sums listed within the constraints detailed in paragraph 2. No transfers of funds may take place between the main cost centres of Administration, Patrol Vessels, Vehicles and Travel, New Equipment and Reserve except with the approval of the full Authority but transfers between sub cost centres may be authorised by the Chief Officer. Any excess funds will be automatically transferred to the General Reserve Fund at the end of the financial year. All other transfers to this fund are to be approved by the full Authority.
- e) The Chief Officer and Treasurer shall be responsible for the prompt settlement of all bills incurred and for keeping pay accounts of all Authority 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. With the Authority's approval and where it is expedient and cost effective these financial services may be contracted out to one of the funding authorities.
- f) No hire purchase/credit/leasing arrangement or other borrowing shall be entered into without the specific approval of the Authority.
- g) Acquisition of items of a capital nature - real estate, boats, vehicles, plant and major items of equipment - shall require the approval of the Authority prior to any acquisition being made.
- h) Depreciation will be set as follows:
- for marine vessels, including engines shall be depreciated over 10 years on a straight-line method.
  - vehicles and other equipment depreciated over 4 years on a straight-line method.
- i) Movable and financially attractive items (e.g., computers) are to be marked as "The property of Devon & Severn IFCA".
- j) Inventories shall be kept of all the Authority's property and updated annually.

## 2. Authority for Expenditure

- a) Authority to incur expenditure is set when the IFCA approves the budget for the next financial year. The Chief Officer, Deputy Chief Officer and the Finance and Administration Manager are authorised to make payments where the expenditure is included in the budget approved by the Authority.
- b) The Authority may have to make payments which were unforeseen at the time the budget was approved. The Chief Officer is authorised to approve such expenditure up to £10,000. Where such new expenditure is between £10,000 and £20,000 then authorisation from the Chair or Vice Chair is required before it is incurred. The Treasurer is to be notified of any additional expenditure before it is incurred. Where additional expenditure is incurred then this is to be reported to members in the next budget monitoring report. Any additional expenditure in excess of £20,000 requires the prior agreement of full Authority.

- c) The Authority shall authorise a petty cash account to a maximum of £100 which will be run by the Finance and Administration Manager for cash transactions such as stationery, postage, etc. It is to be accounted for using a cash book supported by receipts/stamp book, checked, and countersigned by the Chief Officer or the Deputy Chief Officer monthly.
- d) The Treasurer shall monitor Officer approved expenditure.

### 3. Accounting Procedures

- a) The Treasurer is responsible for keeping the accounts and financial records of the Authority.
- b) All financial and appropriate service information is to be available to the Chief Officer and Treasurer.
- c) Accounting procedures will reflect recommended professional practices, and follow accounting principles determined from time to time by Devon County Council.
- d) The Treasurer will prepare the Authority's annual accounts, reports and Annual Return to meet statutory requirements, which will be approved by the Authority members at the June meeting.

### 4. Audit of the Accounts

The audit of the Accounts, the certification of which forms part of the Annual Return, shall be carried out by Devon County Council Internal Audit or such accountants approved by the Authority following tender action.

### 5. Maintenance of Reserves

It is the responsibility of the Chief Officer and Treasurer with the assistance of the Finance Officer, to provide a written report on the levels of reserves and their future uses, are considered prudent.

- The total Reserves fund should not fall below 25% of Revenue Budget in any financial year.
- The Risk Assessment of Volatile Budgets and Reserves Policy is reviewed annually.
- Reserves can only be used following agreement by the Full Authority.

### 6. Revenue Budget Monitoring and Control

The Chief Officer and Treasurer will jointly carry out regular budget monitoring and reporting to identify financial problems and key issues and to recommend to the Authority the management action necessary to resolve them. Responsibility for the management action rests with the Chief Officer.

The Chief Officer and Treasurer shall ensure that monitoring reports defining service financial problems and key issues with recommended action will be made at the quarterly meeting of the Authority

## 7. Income

- a) The Chief Officer and Treasurer 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.
- b) All amounts due to the Authority which have passed the settlement terms will be pursued by the Authority's Chief Officer. No debtor shall be excused payment due to the Authority other than with the approval of the Authority's members.
- c) In order to obtain secure investment interest, the Authority funds shall only be deposited with one of the British Clearing Banks.

## 8. Equipment and Stores

- a) The Chief Officer shall be responsible for maintaining inventories of the patrol vessel, and research equipment and other movable articles on board and all other items of equipment owned by the Authority.
- b) Personnel should take any necessary precautions to ensure the safety and security of equipment and stores under their control.

## 9. Travel, Subsistence and Financial Loss Allowances

All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses must be submitted with all relevant receipts in accordance with the terms and conditions of Devon County Council payroll. The claims must be duly certified and in a form approved by the Treasurer and made up to a specified day of each month within twenty-one days thereof. The names of officers authorised to sign such records must be sent to the Treasurer by the Chief Officer and be amended on the occasion of any change together with specimen signatures. The certification will be taken to mean that the allowances are properly payable.

Claims should be submitted for process within two months of the expenditure being incurred.

## 10. Company Credit Cards

The Chief Officer is responsible for ensuring that the "company card" credit cards used are only held by the appropriate staff and are used in compliance with specific guidance issued by the Chief Finance Officer.

## 11. Imprest Account

The Authority holds an imprest account to manage the receipt of income excluding levies. This income includes permitting fees and fines. The Authority also makes payments from this account (mainly direct debits) for items such as vehicle fuel and mobile phones.

- a) The Finance and Administration Manager must maintain a complete record of all transactions. At least once in each month expenditure must be certified by the Chief Officer or the Deputy Chief Officer.
- b) It is expected that payments from this account are usually direct debits. There may be occasions when cheques are issued. In these circumstances each cheque must be



signed by the Chief Officer and another Authorised Officer (Deputy Chief Officer or Finance and Administration Manager). Single payments must not exceed £1000.

- c) Bank signatories shall be the Chief Officer and Treasurer.
- d) None of the following items of expenditure shall be paid out of the imprest:
  - rents
  - travelling expenses of officers (other than very minor items below £5 for occasions that are neither regular nor frequent) or of Members of the Authority;
  - payment of (or on account of) salaries and wages or payment to an individual of employed status.
- e) All reasonable steps should be taken for the secure storage of cash.

## 12. Banking Arrangements

The Treasurer and the Chief Officer are authorised to make arrangements regarding the Authority's bank accounts. All such bank accounts will be in the name of Devon & Severn Inshore Fisheries and Conservation Authority.

## 13. Investments

All investments of money (e.g. Treasury Deposits) under its control shall be made in the name of the Authority to the Authority's bank and can be for a period of up to twelve months. Deposits outside the Authority's banking group shall be approved by the Chief Officer and Treasurer.

## 14. Purchase of Services

All purchasing and service arrangements shall be made through competent and recognised suppliers by the Chief Officer.

- a) For equipment or services not exceeding £2,500 at least two verbal quotes shall be obtained.
- b) For equipment or services not exceeding £10,000 at least three written quotes shall be obtained.
- c) For equipment or services in excess of £10,000 but less than £50,000 at least three formal quotations to be submitted in writing by a specified date and time based on a written specification and evaluation criteria.
- d) For equipment or services in excess of £50,000 but less than Public Procurement thresholds a minimum of four tenders.
- e) For single quote purchases suitable paperwork shall be made readily available to confirm due process has been followed. All single tendering exercises over £10,000, including spends relating to Grants and Boat Repairs are reported to the Full Authority. Notwithstanding the provisions above, given the specialist nature of the service, it may only be possible to obtain certain equipment from authorised dealers. Therefore, in such cases only one quote or tender will be the normal procedure.
- f) Purchase orders are required for the purchase of all goods and services except:

- rents
- rates and water charges
- gas and electricity
- telephone charges, grants and minor cash purchases - but a record of the submission for payment of such items must be kept;
- where purchased in an emergency situation;
- where purchased via an Authority credit card;
- a formal written contract
- small items purchased from imprest accounts.

## 15. Disposal of Assets

- a) Assets estimated to exceed £1,000 in value shall be disposed of after notice has been placed on the Authority's website for a period of 14 days by such method as the Chief Officer considers will achieve the best price reasonably obtainable.
- b) Assets of an estimated value of £1,000 or less shall be disposed of at the discretion and written authority of the Chief Officer.

## 16. Insurance

The Chief Officer shall affect insurances in accordance with the policy of the Authority. The range of cover is to be reviewed annually.

## 17. Payroll

Regulations in this area are vital to ensuring staff are paid accurately, on time and that payroll information of sound quality is available to management.

## 18. Salaries, Wages and Pensions

The Chief Officer must promptly notify DCC Payroll on all matters affecting the payment of such emoluments, and in particular:

- a) appointments, resignations, dismissals, suspensions, secondments and transfers;
- b) absences from duty for sickness or other reason, apart from approved leave;
- c) changes in remuneration, other than normal increments and pay awards and agreements of general application;
- d) information necessary to maintain records of service for superannuation, income tax, National Insurance etc.

## 19. Taxation

The Chief Officer is responsible for ensuring compliance with taxation rules is important for the Authority to meet its legal requirements and avoid unnecessary costs. Failure to comply with tax legislation can result in penalties and interest payments or may lead to the overpayment or under-recovery of taxes.

For taxation purposes the Authority under statute will use Devon County Council VAT registration.

## 20. External Funding

The Treasurer must be consulted on the financial and probity implications of all projects involving funding from external sources (e.g., European Funds etc).

All funding received from external bodies or associated parties must be properly recorded in the Authority's accounts.

Key conditions of funding and any statutory requirements must be understood and followed.

Any match-funding requirements must be given due consideration prior to entering into long term agreements and future revenue budgets must reflect those requirements.

## 21. Work for Third Parties

The Chief Officer must ensure that proposals are costed properly before an agreement is reached to do work for a third party. Formal contracts or a memorandum of understanding should be drawn up prior to any work commencing.

## 22. Grants and Subscriptions

The approval of the Authority is required before payment is made of any grant or subscription.

## 23. Capital Expenditure

The de-minimus limit for capitalising expenditure is £10,000.

## 24. Review of Financial Probity and Financial and Administrative Regulations

The Chief Officer and Treasurer shall be responsible for ensuring that the Financial Probity and Financial and Administrative regulations are kept up to date and approved by the Authority.

**End – 30/05/2024**