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FINANCIAL REGULATIONS

1. General

- 1.1 These Financial Regulations shall govern the conduct of the financial transactions of the Board and may only be amended by the Board. It shall be the duty of the Finance and Regulatory Committee (FINREG Committee) to annually review the continuing validity of these Regulations and, if appropriate, to make recommendations for changes to be agreed by the Board.
- 1.2 The Finance Officer (FO) acts under the policy direction of the FINREG Committee and shall be responsible for the proper administration of the Board's financial affairs including the production of the Board's annual accounts and financial management information during the financial year.
- 1.3 The Board's financial year shall start on 1 April each year and run to the following 31 March.

2. Financial policies

- 2.1 It shall be the aim to avoid a deficit of current revenue over expenditure on revenue account in each financial year; and to cover expenditure on capital account by grants and other outside sources of funding whenever possible.
- 2.2 It shall be the Board's policy to maintain a Core Reserve at a level sufficient to cover a minimum of six months' expenditure on salaries and overhead costs.
- 2.3 The organisation will maintain other reserves as required to be reviewed annually.
- 2.4 The Core reserve should be held as cash in short to medium notice deposit bank accounts.
- 2.5 Cashflow management is the responsibility of the FO, as such cash reserves may be drawn down to meet an expected shortfall in income to fund expenditure on either current or capital account. Any movements in cash reserves are to be reported to the FINREG committee when it meets.

3. Budgetary control and management information

- 3.1 The FO shall prepare detailed estimates of income and expenditure on both revenue and capital account for the budget for the coming financial year. The budget will be prepared on a cost centre basis with each cost centre being the responsibility of a cost centre owner. The FO will liaise with the cost centre owners as to the budget requirements for the next fiscal year on the expenses they are responsible for.
- 3.2 The FINREG Committee shall review the budget and submit it to the Board for approval prior to submission to East Sussex County Council as detailed in clause 3.5 below.
- 3.3 The budget shall be submitted to East Sussex County Council for its approval in accordance with Section 25 (1) of the Ashdown Forest Act 1974, such submission to take place prior to East Sussex County Council holding the relevant Cabinet meeting.
- 3.4 Once approved by East Sussex County Council the budget for the coming year will be used as the base against which financial performance is reported and management information reports based.

- 3.5 The FO shall provide the FINREG Committee with a full statement of actual income and expenditure under each section of the approved revenue and capital budgets:
- for the first six months of the financial year, at the November Committee meeting;
 - for the full financial year, prior to audit by the External Auditor, at the May/June meeting.
- The FO shall be responsible for providing appropriate phasing of the budget by quarter and shall advise at intervening meetings of the FINREG Committee of any variances where in their opinion the variance is likely to result in an overspend against the budget in excess of a material value of £1,000. In addition the FO will provide cash flow statements and budget reports as appropriate.
- 3.6 The Board shall at its June meeting consider, and approve, the Annual Accounts for the preceding financial year, subject to the subsequent audit of the accounts by the External Auditor.
- 3.7 The organisation is authorised to approve and pay any expenditure included within the budget. Where expenditure outside the budget is required for work of an urgent nature this can be approved by the FO or CEO up to a limit of £2,000. In addition the FO in conjunction with the CEO may approve and pay any expenditure outside the budget to a limit of £10,000 where there is an organisational requirement, irrespective of the budget, such approvals necessitating reporting under clause 3.6 above. In this regard where either party is absent for whatever reason the authority of the FO is delegated to the Company Secretary and the authority of the CEO is delegated to the Countryside Manager.
- 3.8 In the event that any/all of the management team are absent or unavailable then their authority can be delegated to the FINREG chair or vice chair to ensure operational capability.
- 3.9 Any expenditure outside the budget in excess of £10,000 will require approval by not less than two members of the FINREG Committee with at least one to be the Chair or Vice Chair.

4. Accounting and audit

- 4.1 All accounting procedures and financial records of the Board shall be determined by the FO as required by the Accounts and Audit (England) Regulations 2015.
- 4.2 As part of the FINREG committee meetings the FO will provide reconciliation documentation for all Balance sheet accounts as a circulated document. Where there is no reconciling documentation, or in the opinion of the FO there is a risk in the reconciliation due to assumptions made or other extraneous factors, this will be highlighted in the circulated documentation.
- 4.3 The FO shall be responsible for completing the Annual Accounts of the Board as soon as practicable after the end of the financial year, and shall submit them and report thereon to the May/June meeting of the FINREG Committee, prior to the submission of those Accounts to the Board at their June meeting.
- 4.4 The FO shall also be responsible for submitting the Board's accounts to the External Auditor, for responding to any enquiries by the Auditor and for meeting any recommendations by the Auditor; and shall report to the FINREG Committee on the Auditor's comments.
- 4.5 The FO shall be responsible for maintaining an adequate and effective system of internal audit of the Board's accounting, financial and other operations in accordance with regulation 6 of the Accounts and Audit (England) Regulations 2015, subject to the oversight of the FINREG Committee.
- 4.6 The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Conservators of Ashdown Forest in accordance with the Financial Regulations.
- 4.7 The FO 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.
- 4.8 The FO shall, without undue delay, bring to the attention of all Conservators all reports from internal or external auditors. In addition the FO shall, without undue delay, bring to the attention of all conservators any other correspondence from internal or external auditors which requires or could be deemed as requiring their attention, action, or notice.

5. Purchase Orders

- 5.1 An order shall be raised for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate e.g. retail and online purchases for values <£50. Copies of orders shall be retained.
- 5.2 On approval of the budget cost centre owners will have authority to sign orders up to £1,000 which relate to their cost centre within budget. In respect of any expenditures outside the budget refer to clause 3.8 above.
- 5.3 All purchase orders in excess of £1,000 will require the additional approval of a member of the Management Team, (FO, Company Secretary, Countryside Manager, CEO) who are authorised to approve any expenditures within budget up to £5,000. In respect of any expenditures outside the budget refer to clause 3.7 & 3.8 above.
- 5.4 In addition the CEO is authorised to approve all other purchase orders within budget that have been authorised by the cost centre owner and any one other of the Management Team (FO, Company Secretary, Countryside Manager). In respect of any expenditures outside the budget refer to clause 3.7, 3.8 & 3.9 above.
- 5.5 All staff shall be responsible for obtaining value for money at all times. All staff, when issuing an official order for goods or services, shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction.
- 5.6 The organisation will issue purchase or credit cards, with an operational limit to be decided that should be used for all online and retail purchases where a formal contract or purchase order would be inappropriate, to relevant staff as deemed appropriate by the CEO, or in their absence the FINREG Chair or Vice chair, in conjunction with any relevant members of the Management Team (FO, Company Secretary, Countryside manager). It will be the responsibility of the user of the card to provide relevant receipts or evidence for all items charged to the card issued to them on a monthly basis, to this effect the FO will be responsible for the supply of a monthly statement to the cardholder and for reconciliation of the receipts and statement once received back from the cardholder.

6. Banking & Payment of accounts

- 6.1 The Board's banking arrangements, as proposed by the FO, shall be approved by the FINREG Committee.
- 6.2 No single individual will prepare and make a payment, to this effect the line of delegated financial authority in the appendix to these regulations must be adhered to
- 6.3 The FO can transfer funds between accounts to the value of £50,000 per month any such movements being reported to the FINREG committee in accordance with clause 2.5 above
- 6.4 Authorisation of transfers from the deposit accounts above £50,000 require authorisation by the CEO and a counter signature from FINREG Chair or Vice Chair.
- 6.5 All invoices for payment shall be authorised for payment by the cost centre owner who in so doing certifies that the goods or services supplied have been delivered or carried out to their satisfaction.
- 6.6 The Finance & Administration cost centre staff shall examine the approved invoices with regard to arithmetical accuracy and authorisation before coding to the appropriate cost centre and general ledger account.
- 6.7 The FO shall take all possible steps to settle all invoices submitted, and which are in order to the terms agreed
- 6.8 The FO can prepare multiple payments for authorised invoices up to a limit of £50,000 in any one day
- 6.9 The FO shall provide petty cash to Forest staff for the purpose of defraying exceptional operational and other expenses. Vouchers for payments made shall be passed to the FO, authorised by the cost centre owner, as a claim for reimbursement. The FO shall maintain a petty cash float to a limit of £250 for the purpose of defraying such operational and other expenses. Vouchers for payments made from petty cash shall be kept as the record of payments.
- 6.10 Personal cheques shall not be cashed out of money held on behalf of the Board.

7. Payment of salaries and wages

- 7.1 The payment of salaries for all staff shall be made in accordance with the payroll records, direct to individual staff bank accounts on the 22nd of each month.
- 7.2 The salary budgets are to be reviewed at least annually in conjunction with the general budget for the following financial year.
- 7.3 The monthly salary schedule, prepared by the payroll provider (if one is used) and the FO shall be authorised by the CEO, or in the CEO's absence, by either the Company Secretary or the Countryside Manager.
- 7.4 Salary payments will be prepared by the FO and authorised in line with the delegated Financial Authority listed in the appendices.

8. Loans and investments

- 8.1 It is the Board's general policy not to borrow monies, although loans are permitted under the Ashdown Forest Act 1974, and no loan may be negotiated without the prior consideration and approval of the Board. Any loans shall be negotiated by the FO in conjunction with the CEO in the name of the Conservators of Ashdown Forest.
- 8.2 All investments of money or of other assets, under the control of the Board shall be in the name of the Conservators of Ashdown Forest.
- 8.3 All investment certificates and other documents relating thereto shall be retained in the custody of the FO.

9. Income

- 9.1 The FO shall supervise and be responsible for the collection of all sums due to the Board. Particulars of all charges to be made for work done, services rendered, or goods supplied shall be notified to the FO.
- 9.2 All sums received on behalf of the Board shall be recorded by the Finance & Administration cost centre under the appropriate heading.
- 9.3 The FINREG Committee shall review the Board's fees and charges annually.
- 9.4 Any debts outstanding for more than 12 months shall be reported to the FINREG Committee, who may authorise such debts to be written off. The FO in conjunction with the CEO may recommend that outstanding Forest rates and other charges should not be written off immediately after 12 months, but any such debt still outstanding after 5 years shall then be written off.
- 9.5 Where a debt has been outstanding in excess of 12 months enforcement action may be commenced on the recommendation of the FO and Company Secretary.

10. Contracts

- 10.1 A contract shall be deemed requisite for the continuing supply of goods and services required by the Board, or for the supply of particular goods and services of exceptional nature on an ongoing or fixed term basis. Contracts will not normally be required in the following cases:
 - i) for the supply of gas, electricity, water, sewerage, and telephone services;
 - ii) for specialist services such as are provided by solicitors, accountants, surveyors, and planning consultants;
 - iii) for work to be executed, or goods and materials to be supplied, which consist of repairs to, or parts for, existing machinery or equipment or plant; or which constitute an extension of an existing contract with the Board;
 - iv) for goods or materials to be purchased which are proprietary articles and/or which are sold only at a fixed price.
- 10.2 For all contracts which will complete within the current budget period that relate to budgeted items the same levels of authorisation apply as to purchase orders – see section 5 and appendix 2. For any contracts that extend into, and therefore commit the organisation to spend in, the next or additional financial years the only persons authorised to sign on behalf of the organisation are the Chief Executive Officer or the Chair

of the Board – this authority cannot be delegated

- 10.3 Where it is intended to enter into a contract likely to exceed £25,000, formal written tenders will be invited from at least three sources wherever reasonably practicable.
- 10.4 Where it is intended to enter into a contract likely to exceed £10,000, the Cost Centre owner shall invite tenders from at least two suppliers, wherever reasonably practicable.
- 10.5 For contracts for expenditure below £10,000, the CEO and Management Team shall have power to select an appropriate supplier.
- 10.6 Any invitation to tender shall state the nature of the intended contract and the goods, materials, or services to be supplied, together with the last date by which the tender should reach the Cost Centre Owner. The Cost Centre Owner may obtain any technical assistance necessary to prepare a specification in appropriate cases. All tenders shall be opened at the same time on the prescribed date by the Cost Centre Owner, in the presence of another member of staff.
- 10.7 If only two tenders are received for contracts above £10,000, or if the tenders are identical, the CEO, in consultation with the FO, shall have discretion to decide whichever is thought fit to supply the goods or services but shall report the decision to the FINREG Committee.
- 10.8 For tenders likely to exceed £25,000, the CEO will obtain written approval from the Chair and the Vice Chair of the Board before accepting anything other than the lowest tender.
- 10.9 The tendering process will be undertaken in conjunction with the FO to ensure that full records are kept in relation to all tender and contract documentation to fulfil audit regulations.
- 10.10 Where work is of a seasonal nature and likely to be carried out repeatedly over a number of years (for example heathland management), the CEO has the discretion to award a contract, subject to the tender process detailed above, of up to but not exceeding five years. A clause should be included in any contract to ensure that either party can revoke the contract at any time with three months' notice.

11. Payments under contracts for building or other construction works

- 11.1 Payments on account of the contract sum shall be made by the FO within the time specified in the contract, upon authorised certificates of the architect or other consultants engaged to supervise the contract. Where contracts provide for payment by instalments, the FO shall maintain a record of all such payments.
- 11.2 If it is estimated that the total cost of work being carried out under a contract (excluding fluctuation clauses) will exceed the contract price by 5% or more, this shall be reported to the FINREG Committee. Any variation to a contract shall be approved by the Company Secretary in writing and be reported to the FINREG Committee.

12. Stores and equipment

- 12.1 The Senior Rangers shall be responsible for the care, maintenance and security of those stores and equipment, including the Information Centre resources, within their individual areas of responsibility.
- 12.2 Delivery notes should be obtained wherever possible for all goods received into the Forest Centre, and goods must be checked as regards quality at the time that delivery is made. Delivery notes shall be passed to the Finance & Administration Office.
- 12.3 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.
- 12.4 The Finance & Administration Office shall be responsible for an annual check of stocks for sale.

13. Assets, properties and estates

- 13.1 The CEO shall make arrangements for the secure custody of all title deeds of land owned by the Board and shall ensure a record is maintained of all land owned by the Board.
- 13.2 No property or land shall be sold, leased, or otherwise disposed of without the authority of the Board.
- 13.3 The FO shall maintain a Fixed Assets Register. It shall be the Board's policy to charge the total purchase cost of all assets in the financial year in which those assets are acquired, so writing off their book value to nil.

14. Insurance

- 14.1 All buildings, vehicles and equipment shall be kept insured at appropriate levels of cover at all times. All appropriate employees of the Board shall be included within a suitable fidelity guarantee insurance policy.
- 14.2 The FO in conjunction with the Countryside Manager shall effect all insurance and negotiate all claims with the Board's insurers. The FO in conjunction with the Countryside Manager shall notify the Insurers promptly of all new risks, property, equipment, and vehicles which need to be covered, and of any alterations and events affecting the existing insurance policies. The FO or Countryside Manager must be advised promptly of any loss, liability, or damage or of any event likely to lead to an insurance claim; and they shall advise the Insurers promptly of any potential claim.
- 14.3 The Countryside Manager and the FO shall review the level of the Board's insurance cover annually at renewal.

15. Risk Management

The Conservators of Ashdown Forest are responsible for putting in place arrangements for the management of risk. The Company Secretary or FO shall prepare, for approval by the Conservators of Ashdown Forest, a risk management framework in respect of activities of the Conservators of Ashdown Forest. The risk management framework shall be reviewed by the Conservators of Ashdown Forest at least annually.

Appendices:

1 *Cost Centres and Cost Centre Owners:*

<i>Forest Direct</i>	<i>Countryside Manager</i>
<i>Finance & Administration</i>	<i>Finance Officer & Company Secretary</i>
<i>Education</i>	<i>Company Secretary</i>
<i>Barn and Online sales</i>	<i>Forest Centre Office Manager</i>
<i>CEOs' Office</i>	<i>Chief Executive Officer</i>

2 *Delegated Authority for Purchases:*

Where a purchase order or commitment is raised delegated limits are as follows:

BUDGETED EXPENDITURE

<i><£1,000</i>	<i>Cost centre owner</i>
<i>>=£1,000 <£5,000</i>	<i>Cost centre owner plus additional one of Management Team (Finance Officer, Company Secretary, Countryside Manager, or Chief Executive Officer)</i>
<i>>=£5,000</i>	<i>Cost centre owner plus additional one of Management Team (Finance Officer, Company Secretary, Countryside Manager) plus Chief Executive Officer</i>

NON-BUDGETED EXPENDITURE

<i><£2,000</i>	<i>Cost centre owner plus Finance Officer OR Chief Executive Officer</i>
<i>>=£2,000 <£10,000</i>	<i>Cost centre owner plus Finance Officer AND Chief Executive Officer (in event of absence the individual authority of the Finance Officer may be delegated to the Company Secretary, and that of the Chief Executive Officer to the Countryside Manager)</i>
<i>>=£10,000</i>	<i>Cost centre owner plus Finance Officer AND Chief Executive Officer (in event of absence the individual authority of the Finance Officer may be delegated to the Company Secretary, and that of the Chief Executive Officer to the Countryside Manager) plus 2 members of FINREG committee with at least one to be the Chair or Vice Chair</i>

EXTRAORDINARY CIRCUMSTANCE

In the event, for whatever reason, that a delegated authority cannot be followed due to staff absences then either the Chair or Vice Chair of the FINREG committee may deputise for any member of the Forest management team as outlined in clause 3.8. Any such actions to be notified where relevant to the designated member of the Forest management team at the earliest opportunity.

PURCHASE CARDS

The card holder is authorised to use the card up to their authorised limit for transactions where payment by card is the most effective method e.g. in person at a retail outlet or online purchases of tickets or goods. Where purchases are in excess of budget they must be authorised wherever reasonably practicable.

3 *Delegated Financial Authority for Bank Payments:
Where the Finance Officer creates a payment for the bank these should be authorised by any of the Management Team, specifically the CEO, Countryside Manager, and Company Secretary. Where office support creates a payment for the bank the Finance Officer should authorise first and then any one of the other Management Team members*

4 *Functional Organogram – Management Team with authority under these regulations indicated with an **

