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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 be amended only by the Board. It shall be the duty of the Finance and Regulatory Committee (FINREG Committee) to review annually the continuing validity of these Regulations, and whenever 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 of 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.
- 1.4 All monies received by the Conservators shall be credited to The Conservators of Ashdown Forest.

2. Financial policies

- 2.1 It shall be the Board's 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 General Reserve at a level sufficient to cover at least an estimated six months' expenditure on salaries and administration. The salaries accounted for exclude staff costs covered by Countryside Stewardship (C.S.) grant funding, which will have its own reserve amount allocated from the C.S budget.
- 2.3 The Board will maintain Discretionary Reserves which will be allocated to earmarked reserves, to be reviewed annually.
- 2.4 Reserves may be drawn down, by the specific approval of the FINREG Committee, to meet an expected shortfall in income to fund expenditure on either current or capital account.

3. Budgetary control and management information

- 3.1 The FO shall, by November each year, prepare detailed estimates of income and expenditure, on both revenue and capital account for the Core budget, for the coming financial year.
- 3.2 The Countryside Stewardship budget will be prepared by the Conservation Officer in liaison with the FO, for approval at the Programme Committee Meeting and integration into the Core budget summary.
- 3.3 The FINREG Committee shall review those estimates, and submit them to the Board for their approval at their meeting in November each year.
- 3.4 The approved estimates shall be submitted to East Sussex County Council for its approval in accordance with Section 25 (1) of the Ashdown Forest Act 1974.

- 3.5 The approved revenue and capital estimates shall become the budgets for the coming year, against which financial control will be exercised and upon which management information reports will be based.
- 3.6 The FO shall provide the FINREG Committee with a full statement of actual income and expenditure under each head 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 advise at intervening meetings of the FINREG Committee of any variances of > 10% and provide cash flow statements and budget reports as appropriate.
- 3.7 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.
- 3.8 The FO may incur on behalf of the Board any expenditure which is necessary in order to undertake any repair, replacement or other work which is of such urgency that it must be done without delay, even if there is no budgetary provision for that expenditure - this permission to be subject to a limit of £5,000. The FO shall advise the Chairman of the FINREG Committee of action taken as soon as practicable, and shall report on this action to the next meeting of the committee, indicating whether any such expenditure not previously approved in the year's budget will be met from savings elsewhere, from new income, or by the use of Reserves. In the event that urgent expenditure in excess of £5,000 is necessary, the FO shall advise the Chairman of the Board and the Chairman of the FINREG Committee who shall decide whether to sanction that expenditure or whether to convene a meeting of the Board's Executive Committee or a special meeting of the FINREG Committee to approve the proposed expenditure. The action taken shall be reported to the next regular meeting of the FINREG Committee.

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 On a regular basis, at least once in each quarter, and at each financial year end, the Chairman should verify bank reconciliations (for all accounts) produced by the FO. The Chairman shall sign the reconciliations and the original bank statements as evidence of verification. Signed copies of the reconciliations and bank statements should be circulated to and noted by the Finance and Regulatory Committee.
- 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 2011, 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 any correspondence or report from internal or external auditors.

- 5.1 The Board's banking arrangements, as proposed by the FO, shall be approved by the FINREG Committee.
- 5.2 Delegated members of staff will be responsible for creating and monitoring budgets relating to their own role and submitting these budgets to be integrated into the Forest budget. On approval of the Forest budget, budget-holders will have authority to sign orders up to £1,000.
- 5.3 Senior Management staff (Clerk, Finance Officer, Operations Officer/Conservation Officer) are authorised to approve expenditure up to a limit of £5,000. Individual purchases exceeding £3,000, must be budgeted items.
- 5.4 The CEO is authorised to approve expenditure up to a limit of £20,000 providing that expenditure exceeding £5,000 has been agreed as part of the Forest budget
- 5.5 Any individual expenditure over the value of £20,000 is to be approved by two members of the Executive Committee
- 5.6 The FO is authorised to make electronic payments of individual invoices up to £5,000 from the current account by internet banking without additional authorisation
- 5.7 The FO is authorised to make internet payments for authorised orders above £5,000 with a counter signature from the CEO.
- 5.8 The Clerk may undertake actions in 5.6 and 5.7 above in the absence of the FO.
- 5.9 The CEO can authorise transfers from the high deposit account to the value of £50,000 per month
- 5.10 Authorisation of transfers from the high interest deposit account above £50,000 requires a counter signature from a member of the Executive Committee
- 5.11 The FO can make multiple BACs payments for authorised invoices up to a limit of £30,000 in any one day
- 5.12 Salary payments will be prepared by the FO and countersigned by the CEO

6. Payment of accounts

- 6.1 All invoices for payment shall be examined, verified and certified by the FO. Before certifying an invoice, the FO should be satisfied that the work, goods or services to which the invoice relates have been received or carried out, examined and approved.
- 6.2 The FO shall examine the certified invoices with regard to arithmetical accuracy and authorisation before passing them to the bookkeeper for coding to the appropriate expenditure head; the bookkeeper will prepare cheques for the signature/s and provide a schedule of electronic payments to be undertaken by the FO.
- 6.3 The FO shall take all possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt.
- 6.4 The FO shall provide petty cash to Forest staff for the purpose of defraying operational and other expenses. Vouchers for payments made shall be passed to the FO with 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. Any income received shall be paid, not in to the petty cash float, but banked separately as provided under section 9 of these regulations.
- 6.5 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 fourth Friday 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 and such review shall be evidenced by a hard copy schedule signed by the CEO
- 7.3 The monthly salary schedule, prepared by Richard Place Dobson and the Finance Officers shall be

authorised by the CEO, or the Clerk in the CEO's absence.

8. Loans and investments

- 8.1 It is the Board's 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 consultation 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 Clerk's Account.
- 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 noted by the FO and recorded by the bookkeeper 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.

10. Orders for work, goods and services

- 10.1 An order shall be raised for all work, goods and services over the value of £100 unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 10.2 All orders raised over £100 shall be authorised by a line manager.
- 10.3 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.
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.
- 10.4 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.

11. Tendering for contracts

- 11.1 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.
- 11.2 Where it is intended to enter into a contract likely to exceed £10,000, the Clerk shall invite tenders from at least two suppliers, wherever possible.
- 11.3 For contracts for expenditure below £10,000, the CEO and Senior Management Team shall have power to select an appropriate supplier.

- 11.4 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 Clerk. The Clerk 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 Clerk, in the presence of another member of staff.
- 11.5 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. Neither the Clerk nor the Board shall be obliged to accept the lowest, or any, tender.
- 11.6 For tenders likely to exceed £25,000, the Clerk will obtain written approval from the Chairman and the Vice Chairman of the Board before accepting anything other than the lowest tender.
- 11.7 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.
- 11.8 A contract may be made on the basis of a single tender where, in the opinion of the CEO or SMT, there is only one company who can properly supply the goods or services or execute the works for a contract above a limit, currently £10,000, as shall be set from time to time by the FINREG Committee.
- 11.9 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 have 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.

12. Payments under contracts for building or other construction works

- 12.1 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.
- 12.2 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 Clerk in writing and be reported to the FINREG Committee.

13. Stores and equipment

- 13.1 The Rangers and Countryside Workers 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.
- 13.2 Delivery notes must be obtained 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 Administrator.
- 13.3 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.
- 13.4 The Centre Administrator shall be responsible for an annual check of stocks for sale.

14. Assets, properties and estates

- 14.1 The Clerk 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.
- 14.2 No property or land shall be sold, leased, or otherwise disposed of without the authority of the Board.
- 14.3 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.

15. Insurance

- 15.1 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.
- 15.2 The Clerk shall effect all insurance and negotiate all claims with the Board's insurers. The Clerk 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 Clerk must be advised promptly of any loss, liability, or damage or of any event likely to lead to an insurance claim; and he shall advise the Insurers promptly of any potential claim.
- 15.3 The Clerk shall review the level of the Board's insurance cover annually at renewal.

16. Risk Management

The Conservators of Ashdown Forest are responsible for putting in place arrangements for the management of risk. The Clerk 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.