

NORTH EAST SURREY CREMATORIUM BOARD

FINANCIAL REGULATIONS

[For approval on 11 September 2018]

STATUS AND REVIEW OF FINANCIAL REGULATIONS

1. The Board expects the highest standards of propriety in the conduct of all its business, prudence in managing risks, and economy, efficiency and effectiveness in all its functions. Accordingly these Financial Regulations apply to every Member and Officer of the Board and anyone acting on its behalf.
2. The Financial Regulations identify the principal financial responsibilities of Board Members, the Clerk, the Surveyor, the Treasurer and any other Officers appointed by the Board with full delegated responsibility for financial management.
3. The Treasurer is responsible for maintaining a continuous review of the Financial Regulations and submitting any additions or changes necessary to the Board for approval.
4. The Treasurer is responsible for issuing financial directives, practice-notes and advice as needed to underpin the Financial Regulations.
5. Chief Officers are responsible for ensuring that their staff are sufficiently aware of, and comply with, the Board's Financial Regulations and financial directives and guidance issued by the Treasurer, issuing further advice and instructions as appropriate for their own area.

FINANCIAL MANAGEMENT FRAMEWORK

6. The Constitution of the Board is set out in the North East Surrey Crematorium Board Act, 1956 (as amended by subsequent legislation), and the Board's Standing Orders.
7. The Board is responsible for adopting the Constitution, Standing Orders, and Scheme of Delegations and for approving the policy framework and estimates within which the Board and Chief Officers operate. It is also responsible for approving and monitoring compliance with the Board's overall framework of accountability and control, set out in its Constitution and Standing Orders, and for monitoring compliance with the policy framework and estimates.
8. The Board can delegate responsibility for some of its financial decisions to a committee of the Board, an individual Member, or an Officer within specified financial limits. The Board is responsible for establishing protocols to ensure that individual Members consult with relevant Officers before taking a decision within their delegated authority, having proper regard to the legal and financial liabilities and risk management issues that may arise from the decision. The Board is also responsible for maintaining a Scheme of Delegations to Officers.
9. The Board is responsible for approving the statement of accounts or equivalent for each financial year, on the basis of a report by the Treasurer.
10. Chief Officers are responsible for:-
 - a. ensuring that Board resources are used with the maximum degree of economy, efficiency and effectiveness;

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- b. ensuring that Board resources are used only for the purpose intended to achieve the approved policies and objectives, are appropriately secured and maintained, and are properly accounted for;
 - c. consulting with the Treasurer and seeking Board approval on any matter liable to affect the Board's finances materially, before any commitments are incurred;
 - d. promoting sound financial practices in relation to the standards, performance and development of their staff and contractors, liaising as necessary with and having regard to advice of the Treasurer;
 - e. ensuring that they are properly advised of the financial implications of all proposals in relation to their services; and
 - f. ensuring that Board Members are properly advised of the financial implications of all proposals they are known to be considering, and that the advice is endorsed by the Treasurer.
11. The Treasurer is the officer appointed by the Board in accordance with Section 151 of the Local Government Act 1972 to be responsible for the proper administration of the Board's financial affairs. The Treasurer is therefore responsible in particular for:-
- a. setting and monitoring compliance with financial management standards;
 - b. advising on the corporate financial position;
 - c. providing financial advice on proposals before the Board;
 - d. determining the accounting policies and procedures for the Board;
 - e. presenting estimates, accounts or equivalent for the Board's approval; and
 - f. treasury management.

FINANCIAL PLANNING

12. The Board is responsible annually, in December for setting revised estimates for the current financial year, the estimates for future financial years including reserves for specified and general contingencies for the forthcoming financial year, and for approving expenditure within those estimates. The Board is also responsible for the approval of any levy requirement or distribution of surplus balances.
13. The Treasurer is responsible for:-
- a. ensuring that estimates and advice are prepared as required by the Board for the purposes of paragraph 12 above;
 - b. advising on appropriate levels of reserves for the Board;
 - c. the approval of payments made in accordance with paragraph 12 above;
 - d. authorising, with the agreement of any Chief Officers concerned, the transfer of provision from one budget head to another; and
 - e. maintaining arrangements for Chief Officers to forecast expenditure and income in relation to budgets so that prompt reports are made to the Board if forecast adverse variances are material.
14. It is the responsibility of Chief Officers:-
- a. to ensure that accountable budget management is in place for each item of income and expenditure under the control of the Chief Officer, having due regard to the decision-making that influences the income/expenditure concerned;

- b. to ensure that realistic plans are prepared and implemented to deliver services within budget, and prepare and submit to the Treasurer realistic forecasts of income and expenditure compared with budget in the form and at the frequency required by the Treasurer;
- c. to ensure that appropriate corrective action is taken where significant variations from the approved estimates are forecast; and
- d. to ensure that prior approval is given by the Board for any measures that are likely to materially extend or reduce the Board's services, and for new commitments for which there would otherwise be no budget provision.

RISK MANAGEMENT AND CONTROL OF RESOURCES

Risk Management

15. It is the responsibility of Chief Officers:-
- a. to ensure the regular identification, review and management of risk, having regard to the Board's Risk Management Strategy and advice and instructions from the Treasurer and other specialist officers (e.g. crime prevention, fire prevention, health and safety);
 - b. to notify the Treasurer or his representative immediately of any loss, liability or damage that may lead to a claim against the Board, together with any information or explanation required by the Treasurer or the Board's insurers;
 - c. to notify the Treasurer or his representative immediately of any risks, properties, vehicles or other assets that require or cease to require insurance, and of any alterations affecting existing insurances;
 - d. to consult the Treasurer or his representative and the Clerk on the terms of any indemnity that the Board is requested to give, on appropriate contract conditions for contractors to indemnify the Board, and on suitable minimum insurance levels for inclusion in contracts; and
 - e. to ensure that employees, Board Members, or anyone else acting on behalf of the Board, are instructed not to make any admission of liability or offer of compensation that might prejudice the assessment of a potential liability of the Board or of its insurers.
16. The Treasurer is responsible for reviewing risk management controls and advising and instructing Chief Officers accordingly, and for procuring insurance cover where appropriate.

Internal Control

17. It is the responsibility of Chief Officers to maintain and promote sound arrangements for internal control. These arrangements will be devised by management to help to ensure that the Board's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Board's assets and interests are safeguarded. The arrangements will have regard to the advice and instructions of the Treasurer, and will be reviewed annually by the Internal Audit service.
18. The Treasurer is responsible for reviewing systems of internal control, including the effectiveness of the system of internal audit, advising and instructing Chief Officers accordingly, and reporting all findings to the Board.
19. The Board is responsible for approving the ~~annual Statement on Internal Control~~ **Annual Governance and Accountability Return (AGAR)**, in accordance with

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applicable Accounts and Audit Regulations or other statutory requirements, having considered the findings of the reviews of internal control, and in the light of the reviews of the effectiveness of risk management and the control environment.

Audit

20. The Treasurer is responsible for ensuring:-
- a. the maintenance and procurement of an internal audit function that is sufficient in its coverage and independent in its planning and operation;
 - b. that the Head of Audit has direct access to the Clerk, all levels of management and the Board; and
 - c. that the internal auditors have been trained to comply with professional good practice.
21. ~~The Audit Commission is responsible for appointing~~ **appointed** external auditors to the Board ~~are responsible for reviewing and reporting~~ upon:-
- a. the financial aspects of the Board's corporate governance arrangements;
 - b. the Board's financial statements, to be satisfied that the statement of accounts "presents fairly" the financial position of the Board and its income and expenditure for the year in question and complies with the legal requirements; and
 - c. aspects of the Board's arrangements to manage its performance.
22. The Board may, from time to time, be subject to audit, inspection or investigation by external bodies such as ~~H.M. Customs and Excise and the Inland Revenue~~ **Her Majesty's Revenue and Customs**, who have statutory rights of access.
23. It is the responsibility of Chief Officers:-
- a. to ensure that internal auditors, external auditors, and other authorised inspectors, are given access at all reasonable times to premises, personnel, documents and assets, and are provided with any information and explanations, that they consider necessary for the purposes of their work;
 - b. to consider and respond promptly to recommendations in audit reports; and
 - c. to ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.
24. The Board is responsible for reviewing external auditor's reports and annual audit letter and any reports issued by the Head of Audit. The Board may consult directly with internal and external auditors.

Preventing Fraud and Corruption

25. All Board Members and employees are personally responsible for ensuring integrity in the conduct of the Board's business, in particular by ensuring that they (and any subordinates) are aware of the their constituent Council's anti-fraud and anti-corruption policies and procedures and by alerting the relevant Chief Officer or the Head of Audit to any suspected breach.
26. Chief Officers are responsible for notifying the Head of Audit immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Board's property or resources.

Assets

27. Chief Officers, having regard to advice and instructions from the Treasurer and any other relevant professional advisors employed by the Board, should ensure that:-
- a. resources are used only for the purposes of the Board and are properly accounted for;
 - b. resources are available for use when required;
 - c. resources no longer required are disposed of in accordance with the law and the procedure rules of the Board so as to maximise benefits;
 - d. an asset register is maintained for the Board, assets are recorded when they are acquired by the Board and this record is updated as changes occur with respect to the location and condition of the asset;
 - e. all staff are aware of their responsibilities with regard to safeguarding the Board's assets and information, including the requirements of the **relevant Data Protection Act 1998**, including **General Data Protection Regulation provisions**, Freedom of Information Act 2000 and software copyright legislation;
 - f. all staff are aware of their responsibilities with regard to safeguarding the security of the Board's computer systems, including maintaining restricted access to the information held on them and compliance with Wandsworth Council's computer and internet security policies; and
 - g. contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

Treasury Management

28. It is the responsibility of the Treasurer to:-
- a. establish and maintain bank accounts;
 - b. manage the Board's available funds to achieve optimum performance, having due regard to legal constraints, and ensuring that funds are available to meet the Board's financial obligations;
 - c. borrow money, where appropriate, in accordance with the North East Surrey Crematorium Board Act, 1956, subject to the approval of the Board;
 - d. ensure that loans outside the terms of Board-approved schemes are not made to third parties, and that interests are not acquired in companies, joint ventures or other enterprises, without the approval of the Board ~~following consultation with the Treasurer~~;
 - e. ensure secure administration of funds held by the Board on behalf of third parties; and
 - f. ensure that leasing agreements and other credit arrangements are not entered into without the prior approval of the Treasurer and, if applicable, approval of the scheme for inclusion in the estimates.

INCOME AND EXPENDITURE PROCEDURES

29. The Board, having regard to the advice of the Surveyor and the Treasurer, is responsible for determining charges for Board services, for writing off sums due to the Board, and for delegating authority to Chief Officers to write off sums due to the Board.
30. It is the responsibility of Chief Officers to ensure that:-
- a. all income due to the Board is identified and charged correctly;

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- b. all charges for Board services are reviewed at least once a year having regard to their appropriateness in relation to relevant Board policies;
- c. all income is collected from the correct person, or organisation, at the right time, using the correct procedures and the appropriate stationery;
- d. all monies received by an employee, contractor or agent on behalf of the Board are paid without delay to the Board's bank account, properly recorded, and reconciled to the bank account by a person who is not involved in the collection or banking process;
- e. wherever possible, cash collection duties are separated from those for identifying the amount due and those for reconciling the amount due to the amount received;
- f. effective action is taken to pursue non-payment within defined timescales;
- g. formal approval for debt write-off is obtained without delay;
- h. a scheme of delegation is operated effectively within their area identifying staff authorised to act on the Chief Officer's behalf in respect of placing orders, payments, income collection and write-offs, together with the limits of their authority;
- i. all goods and services are ordered only by appropriate persons and are correctly recorded;
- j. goods and services received are checked to ensure they are in accordance with the order, wherever possible by someone different from the person who placed the order;
- k. payments are not made unless goods have been received by the Board to the correct price, quantity and quality standards;
- l. all payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method;
- m. for payments to employees and Members, proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to starters, leavers, variations, and enhancements, and payments are made on the basis of timesheets or claims;
- n. all taxable transactions are identified, properly carried out and accounted for within stipulated timescales;
- o. information is provided for tax and other appropriate authorities within their stipulated timescale; and
- p. payments are only made without explicit Board authorisation if they are consistent with the estimates previously approved by the Board.

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