

Saada

Smaller Authorities' Audit Appointments

Financial Regualtions

31 Jan 2024

Gov. Doc. No	Version	Author	Date Agreed	Distribution	Review Date
02	1	CEO	31 Jan 2024	Website, Board	Jan 2025

SAAA Financial Regulations

1. General

- 1.1. These regulations govern the conduct of the financial affairs of SAAA and may only be amended or varied by resolution of the Board. These regulations will override any associated conflicting documents.
- 1.2. The Chief Executive under the policy direction of the Board shall be responsible for the proper administration of the Company's finances.
- 1.3. The SAAA financial year shall run from 1st April to 31st March each year.
- 1.4. The Chief Executive shall be responsible for presenting financial management information and regular reports to Board meetings.
- 1.5. All Directors and officers of the Company have a general responsibility for economy, efficiency and effectiveness in the use of resources.

2. Annual Estimates and Budget

- 2.1. Estimates of income and expenditure shall be prepared each year by the Chief Executive or Finance Manager and be submitted to the Board as a budget.
- 2.2. The Board shall agree the budget for the ensuing financial year.

3. Budgetary Control

- 3.1. Expenditure may be incurred up to the amount included in each budget head. Expenditure within budget limits may be delegated to the Chief Executive or Finance Manager by the Board under a scheme of delegation.
- 3.2. The Chief Executive shall provide the Board with quarterly management accounts.

4. Accounting and Audit

- 4.1. Invoices and the financial records of the Company shall be recorded and retained on SAAA IT systems by the Chief Executive or Finance Manager.
- 4.2. A suitable accounting software system will be used to record the company financial transactions and submit quarterly VAT returns to HMRC.
- 4.3. The Chief Executive shall be responsible for completing draft management accounts as soon as practicable after the end of the financial year and submit them to the Board.
- 4.4. Statutory accounts in accordance with various Companies Act legislation will be prepared by the SAAA appointed accountants, who shall be appointed by the Board.
- 4.5. An external audit of the Company accounts shall be undertaken annually by the SAAA appointed accountants.

5. Banking Arrangements

- 5.1. The Company banking arrangements shall be approved by the Board and managed by the Chief Executive and Finance Manager.
- 5.2. Electronic payments shall be authorised by two people. The bank mandate requires electronic payments to be authorised by the Chief Executive and Finance Manager. Additional bank account signatories should be Member Directors (currently NALC and ADA).

6. Payment of Accounts

- 6.1. Payments shall be made by debit card, direct debit, electronic payment or transfer.
- 6.2. All invoices for payment shall be verified and certified for accuracy. Invoices shall be paid by the Finance Manager and signed-off by the Chief Executive.
- 6.3. Payments will be allocated to the appropriate budget expenditure group.
- 6.4. The Chief Executive shall have the authority for the purchase of goods and services up to the value of £10,000.
- 6.5. The Chief Executive shall seek the Chair of the Board's authority for the purchase of goods and services over the value of £10,000.
- 6.6. Board approval shall be required for any expenditure in excess of £50,000.

7. Bank Accounts and Investments

- 7.1. All bank and other accounts shall be managed by the Chief Executive and Finance Manager in the name of the Company.
- 7.2. Any investments must be authorised by the Board.
- 7.3. These Financial Regulations are to be read in conjunction with SAAA's agreed Investment Policy.

8. Income

- 8.1. All income received by SAAA shall be paid direct into the Company bank account by bank transfer
- 8.2. Any debts over £200 not recoverable should only be written off with Board approval.
- 8.3. Audit fee variations that result in audit fee reductions shall be agreed by the Chief Executive in accordance with the scheme of delegation.

9. Orders for Goods and Services

- 9.1. Orders for goods or services within the approved budget with a value of £10,000 or less will not require quotations and may be authorised by the Finance Manager or Chief Executive.

- 9.2. For orders exceeding £10,000 but not exceeding £20,000 two written quotations shall be obtained and the order authorised by both the Finance Manager and the Chief Executive.
- 9.3. Orders exceeding £20,000 but not exceeding £50,000 require in addition the prior approval of the Chair and must be reported to the next meeting of the Board.
- 9.4. Orders exceeding £50,000 require the prior approval of Board.
- 9.5. The above procedures do not apply to:
 - 9.5.1. regular supplies and services;
 - 9.5.2. specialist services such as solicitors who should provide ongoing fee estimates;
 - 9.5.3. services, goods or materials which constitute an extension of an existing contract.
- 9.6. The Company is not obliged to accept the lowest or any quotation.
- 9.7. The Company will always aim to ensure quality and best value for money.
- 9.8. If any Director or Officer has a pecuniary interest in a proposed contract this should be declared in advance to the Chair.
- 9.9. The Board has the power to waive these regulations to enable a contract to be negotiated without competition. The reasons for this decision, together with any recommendations, will be set out in the minutes of the Board meeting.

10. Equipment

- 10.1. The Company shall capitalise any expenditure on equipment or assets over £10,000.
- 10.2. The Company shall maintain an asset register of all equipment with a value in excess of £5,000.

11. Payment of Fees, Salaries and Expenses

- 11.1. The payment of agreed Board fees, salaries, contractor payments and related expenses shall be made by the Chief Executive or Finance Manager in accordance with contractual agreements.
- 11.2. All salary and fee payments will be made through SAAA's authorised payroll provider. The payroll provider will liaise with HMRC regarding tax codes and year-end returns.
- 11.3. Any additional payments to Board Members/Directors must be authorised by the Board before being incurred.
- 11.4. All Independent Director fees will be paid through the SAAA payroll.
- 11.5. Fees for Member Directors will be paid to the organisations of the Member Directors who will invoice for the fees quarterly.
- 11.6. Contracts of employment will be prepared by the Board or the appropriate officer with delegated authority.

12. Insurance

- 12.1. The Chief Executive or Finance Manager shall review and arrange appropriate insurance covers through appointed insurance brokers annually.

12.2. All officers of the company shall be included in suitable fidelity guarantee insurance.

13. Fee Variation Guidance

- 13.1.** SAAA's Board has agreed a set of circumstances, factors, and criteria, and a process to be applied when considering audit fee variations.
- 13.2.** The Guidance should be read in conjunction with these Financial Regulations.