



FINANCIAL REGULATIONS

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INTRODUCTION

Why do we have Financial Regulations?

The Local Government Act 1972 directs that local authorities shall make arrangements for the proper administration of their financial affairs, and that some of their officers be responsible for the administration of those affairs.

Under powers contained in the Local Government Finance Act 1982 (s23 and 35) the Secretary of State also makes regulations as to the accounts themselves and requires them to be audited by the Audit Commission, or by an Auditor appointed by them. The 'Accounts and Audit Regulations' require that the 'Responsible Financial Officer' must determine and be responsible for the accounting systems and the form of both the accounts and supporting records of the Authority. That Officer must further ensure (by maintaining an effective and adequate audit) that rules so made are observed and that all records are maintained in a satisfactory manner. To conduct its business efficiently, a local authority needs to ensure that it has sound financial management policies in place and that they are adhered to. Part of this process is the establishment of financial regulations that set out the financial policies of the Authority.

Status of Financial Regulations

Financial Regulations provide a framework for managing the Authority's financial affairs. They apply to every Member and Officer of the Authority and anyone acting on its behalf.

Financial Regulations identify the responsibilities of:

- Members of the Authority
- the Chief Executive (National Park Officer) as Head of Paid Service (CEX(NPO))
- the Chief Finance Officer (also known as Section 151 Officer) (CFO)
- the Monitoring Officer
- authorised spending Officers (those Officers with written delegated authority from the CEX(NPO) to enter into contracts etc)
- other Officers of the Authority

For the purposes of these Financial Regulations, "Officer" means any person holding office under the Authority, employed by the Authority, seconded to work for the Authority, working for the Authority under a Service Level Agreement or contract, or working with or for the Authority in any paid or unpaid capacity.

All Members and Officers have a responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these assets is legal, properly authorised, provides value for money and achieves best value.

The CFO is responsible with the Monitoring Officer for keeping Financial Regulations under review and submitting any additions or changes as necessary to

Members for approval. These Officers are also responsible for reporting, where appropriate, breaches of Financial Regulations to the CEx(NPO) and/or Members.

All officers are responsible for ensuring that they are fully aware of the existence and content of Financial Regulations. Financial Regulations should be read in conjunction with:

- The Authority's Standing Orders
- The adopted Scheme of Delegation
- Adopted Instructions on Contracts and Procurement
- Procedures manuals
- VAT Manual
- Financial Grant Memorandum issued by the Department of the Environment, Food and Rural Affairs (Defra)
- The Treasury Management Policy & Strategy
- The Prudential Code
- Sustainable Procurement Policy

Statement of Principles

The Authority expects high standards of conduct from its Members and Officers and those with whom it has dealings. Further to this the Authority expects honesty, openness and integrity to be the values which underpin its financial affairs and all those involved with the Authority's finances should work with these values in mind.

The Principles

The principles below provide the basis for the detailed guidance in Financial Regulations and are not expressed in any order of importance or priority:

1. The Authority is responsible for the stewardship of public money and will make arrangements to safeguard the interests of all its stakeholders.
2. The Authority expects Members and Officers to exercise high standards in financial management and administration
3. The Authority aims to promote openness and a climate of frankness that it will support through policies and regulations, such as the "whistle blowing" policy
4. The importance of planning, monitoring and controlling the use of resources is of vital importance to the Authority and it will make arrangements for these activities to be undertaken effectively.
5. Issues of probity will be dealt with effectively and the Authority will work to meet its duty to maintain proper accounts and related records.
6. Value for money is at the core of the Authority's financial activity and the way in which it administers its financial affairs.

7. Compliance with statutory requirements, accounting standards and appropriate codes of practice will be inherent in the Authority's arrangements for financial matters.
8. Allocation of responsibility and authority in relation to financial matters will be clearly identified.
9. The Authority is mindful of the need for consistent standards in financial administration and management across all its operations and will set in place guidance to be adhered to by all Officers. In particular, it expects Officers to consult with and use all of the expertise in financial matters that it has available and act on advice from such sources.
10. The assets and resources of the Authority must be protected from loss, damage and theft. Identifying and quantifying risks to the Authority is of key importance and arrangements must be made to reduce, eliminate or insure against them as appropriate.
11. The accurate, appropriate and timely payment and collection of monies forms much of the routine financial business of the Authority and arrangements will be made for its proper administration.

A Financial Management

Financial Management covers all financial accountabilities in relation to the running of the Authority including the policy framework and budget. Below are set out the main areas of responsibility of financial management.

A1 The Authority

Members are responsible for adopting the Authority's Standing Orders, Scheme of Delegation and Member Code of Conduct and for approving the policy and corporate governance framework and budget. Members are also responsible for approving and monitoring compliance with the Authority's overall framework of accountability and governance as set out in its Standing Orders and for monitoring compliance with agreed policy and reporting decisions taken.

A2 The Audit and Governance Committee

The Audit and Governance Committee is responsible for scrutinising the activity of the Authority with particular reference to its governance, performance and use of resources (including human resources, property & ICT). Acting under delegated powers from the Authority, the committee will agree the External Auditor's annual Audit and Inspection Plan; agree the Internal Audit plan; monitor the financial performance of the Authority and the management and maintenance of the Authority's assets; monitor and review the Corporate Risk Strategy and Register; and scrutinise and keep under review Internal Control Mechanisms.

A3 Statutory Officers

A3.1 The Chief Executive (National Park Officer) C/Ex(NPO) is Head of Paid Service and is responsible for the corporate and overall strategic management of the Authority as a whole. The C/Ex(NPO) must report to and provide information for Members when meeting as the Authority and its committees. He/she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation.

A3.2 The Monitoring Officer is responsible for promoting and maintaining high standards of conduct (including financial conduct) and for reporting any actual or potential breaches of the law or maladministration and for ensuring that the procedures for recording and reporting key decisions are operating effectively. The Monitoring Officer is responsible for advising Members and Officers about who has the authority to take a particular decision and whether a decision is likely to be considered contrary to the policy framework. The Monitoring Officer and the CFO are jointly responsible for advising the Authority if a proposed decision appears to be contrary to the aims and intentions of the approved budget. An example of such decision would be promoting a new policy without thought as to the budget implications.

A3.3 The Chief Finance Officer (also known as Section 151 Officer) (CFO) is responsible for advising the Authority on all financial matters, in particular:

(a) Lawfulness and Financial Prudence of Decision making

After consulting with the NPO and the Monitoring Officer, the CFO will report to the Authority and the Authority's External Auditor, if he/she considers that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause loss or deficiency, or if the Authority is about to enter an item of account unlawfully.

The CFO, if necessary, in conjunction with the C/Ex(NPO) and after consultation with the Chairman of the Authority, shall have the powers to take any action necessary to safeguard the financial interests of the Authority.

(b) Administration

The CFO has responsibility for the proper administration of the Authority's financial affairs. This includes setting and monitoring compliance with financial management standards, advising on the corporate financial position and on key financial controls, providing financial advice, advising on the preparation of the revenue and capital budgets and treasury management.

These responsibilities are set out in statute such as Section 151 of the Local Government Act 1972. They refer to the totality of the financial affairs of the Authority in all its dealings.

(c) Advice

The CFO is responsible for advising Members on all financial matters. He/she must be consulted on all financial issues and given adequate opportunity to provide written comments on any report or proposal with financial implications.

Where the urgent decision procedures set out in Standing Orders are to be invoked, the CFO must be consulted on any financial and other resource implications before a decision is made.

A3.4 The CFO's responsibilities include:

- Ensuring that systems are in place to process financial transactions efficiently and effectively
- Providing accounting services and financial advice to the Authority and its officers
- Preparing and submitting an annual budget
- Preparing and submitting final accounts
- Preparation and submission to Government and other bodies of funding bids, estimates, budgets, financial returns and any other financial information
- Reviewing and commenting on any reports, proposals or initiatives with financial implications

Money Laundering

A3.5 The Authority must notify the National Criminal Intelligence Service (NCIS) of any suspected cases of money laundering committed within its accounts as soon as possible. As all financial transactions are centralised, the requirement, as defined by legislation, for a designated Money Laundering Officer, is considered to be

disproportionate. Officers are appropriately trained and if any suspicions arise, the CFO will be informed. See D9.2 for the limits imposed by the Authority in respect of receiving cash for the payment of goods and services.

A3.6 Authorised spending officers must operate efficient systems of financial control and are responsible for:

- ensuring that the Authority is advised of the financial implications of all proposals and that financial implications have been agreed by the CFO
- ensuring that the Authority is advised of legal implications of all proposals and that legal implications are agreed with the Monitoring Officer / Authority's Lawyer
- signing of contracts on behalf of the Authority
- Consulting the CFO and seeking the approval of the CFO on any matter that could materially affect the Authority's financial position before any commitments are incurred.

A4 Accounting Arrangements

A4.1 The CFO is responsible for ensuring that there are appropriate systems in force for keeping the accounts and financial records of the Authority and that the Authority's annual financial accounts and reports are prepared to meet statutory requirements. The CFO must also approve the accounting systems and accounting records in use.

A4.2 Accounting procedures will reflect recommended professional practices, and follow accounting principles determined from time to time by the CFO, in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) standards or practice, the Financial Grant Memorandum issued by DEFRA under which grant funding is paid and instructions and advice received from DEFRA and auditors.

A4.3 No change must be made to existing accounting procedures without agreement from the CFO

A4.4 The CFO must examine and certify where required any submission, estimate or claim for payment of grant by a Government Department or funding from any other body. Officers responsible for the administration of such grants, funds and spending associated with them must ensure compliance with the conditions of the grant/funding.

A4.5 The CFO must examine and certify where required any financial return to a Government Department or other body.

A5 Budget Process

A5.1 The Financial Grant Memorandum issued by DEFRA sets out a timetable to prepare an annual budget for planned revenue and capital expenditure and how to draw down National Park Grant. A budget and further two year medium term financial plan is prepared for Authority approval and is submitted to DEFRA in line with the timetable.

A6 Year End Accounting

A6.1 The CFO is responsible for ensuring that the annual statement of accounts is prepared in accordance with the “Code of Practice on Local Authority Accounting” (the Code). The Audit & Governance Committee is responsible for approving the annual Revenue and Capital Outturn on behalf of the Authority and for agreeing procedures for carrying forward any under and over-spending on budget headings. The Authority’s final financial position as presented in the Annual Statement of Accounts will be approved by the Authority.

A7 Financial Training

A7.1 The CEx(NPO) and Leadership Team are responsible for ensuring that all Officers receive appropriate training to undertake their financial responsibilities, in accordance with standards set by the Authority and the CFO.

A8 Grants & Contributions

A8.1 Grants or contributions up to a value of £5,000 may be authorised by an Officer with written delegated authority from the CEx(NPO).

A8.2 Grants or contributions over £5,000 must be approved by Members prior to payment.

A8.3 Officers must carry out sufficient checks to satisfy themselves that any organisation to be grant-aided will be financially viable for the duration of the appropriate project or activity and must obtain signed terms and conditions before payment is made.

A8.4 The general administration of any grant scheme shall be carried out by the Finance Team, who shall maintain a record of applications, decisions and allocations. Such information is open to public inspection.

A8.5 Organisations who have been grant aided on an on-going and/or annual basis must be given adequate notice of any potential termination, allowing time for consultation and negotiation.

A9 Use of Consultants

A9.1 If any professional person or firm is to be engaged on behalf of the Authority to provide consultancy support on a project, review or task involving expenditure in excess of £10,000 on that consultancy support, the prior approval of Members must first be obtained.

A9.2 The CEx(NPO) may approve the appointment or engagement of consultancy support on any project, review or task involving expenditure not exceeding £10,000 on that consultancy support.

A9.3 For projects or activities under their control, a member of Leadership Team may use an approved budget to appoint or engage consultancy support involving expenditure not exceeding £5,000 on that consultancy support.

A9.4 For the purposes of these regulations, consultancy support shall include but not be limited to work by external contractors, chargeable work by other local authorities, other public sector bodies, and the work of agencies, firms and companies.

A10 Use of Capital Receipts

A10.1 All capital receipts will be treated as corporate capital receipts unless specific approval is obtained from Members for alternative treatment.

A11 Pensions

A11.1 In any proposed outsourcing of activities of the Authority that may involve the transfer of pension rights and liabilities, it is the responsibility of the lead officer to notify the CFO prior to substantive negotiations taking place with third parties.

A11.2 In consultation with the CFO, the full cost and implication of the transfer of pension rights and liabilities must be disclosed in the financial appraisal that is prepared in relation to the outsourcing proposal.

A11.3 The CFO must be consulted about and approve revised pension arrangements before formal agreements are made.

B Financial Planning and Control of Expenditure

Careful financial planning, monitoring and control of resources is highly important to achieving sound financial management. Sound budget management is crucial to informing good decision making and achieving best value in the use of the Authority's resources.

B1 Policy Framework

B1.1 Members are responsible for agreeing the Authority's framework and budget. In terms of financial planning the key elements are:

- The Statutory Purposes for National Park designation
- The National Park Management Plan
- The Business Plan
- The Financial Grant Memorandum
- The Annual Revenue Budget and Medium Term Financial Plan
- The Capital Strategy and Annual Capital Programme
- Prudential Indicators (limits for external borrowing, other long term liabilities and related matters and Treasury Management Strategy)

B2 Revenue Budget Preparation

B2.1 The CEx(NPO) in consultation with the CFO is responsible for ensuring that a revenue budget for the coming year and a medium term financial plan for the two subsequent financial years is prepared for consideration by Members.

B2.2 The CFO is responsible for providing guidance on the general format of the budget.

B2.3 Authorised spending Officers will prepare, in consultation with the relevant working panels and in accordance with the framework set down by the CEx(NPO) an estimate of income and expenditure for the ensuing financial year within the spending targets set by the CEx(NPO) and Defra.

B2.4 The CFO will submit a Medium Term Financial Plan to the full Authority for approval by 31 March each year.

B2.5 The CFO is responsible for reporting to Members on the robustness of estimates contained within the budget and adequacy of reserves allowed for in the budget proposals.

B3 Determination of Affordable Borrowing

B3.1 It is the responsibility of the CFO, to provide Members with a written report on affordable levels of borrowing. This report is to be presented at the meeting when the annual budget is set and should have regard to the Prudential Code for Capital Finance issued by CIPFA. The report will contain a number of prudential indicators that demonstrate that capital expenditure plans are affordable, prudent and sustainable.

B4 Resource Allocation

B4.1 The CFO, is responsible for developing and maintaining a resource allocation process that ensures that both capital and revenue expenditure plans take account of the Authority's policy framework and changing priorities within that.

B4.2 It is the responsibility of Leadership Team to ensure that the revenue and capital budget estimates reflect the priorities and goals in the National Park Management Plan, the Business Plan and agreed service plans are in line with the medium term financial plan and capital strategy.

B5 Maintenance of Reserves

B5.1 It is the responsibility of the CFO, to provide Members with a written report on levels of reserves that are considered to be prudent.

B5.2 The level of reserves maintained by the Authority is determined and based on, at a minimum, an annual risk based assessment of the Authority's:

- priorities,
- planned activities, and
- known and anticipated future obligations.

The medium term financial plan should, in part, be based on how to either reach or maintain this recommended level of reserves.

B5.3 Members will monitor the Authority's working balances and minimum reserve level throughout the year as part of its Revenue and Capital Budget monitoring process.

B6 Revenue Budget Management and Control

B6.1 Management and control of each section of the Authority's budget (or part where appropriate) is the responsibility of Leadership Team.

B6.2 Leadership Team must ensure that there are authorised spending officers accountable to them for the detailed management of any allocated budget(s).

B6.3 Leadership Team and the CFO will carry out regular budget monitoring and reporting to identify financial problems and key issues and to recommend the management action necessary to resolve them. Reference may also need to be made to DEFRA under the grant regulations. Ultimately, responsibility for proper management action rests with the CEx(NPO).

B6.4 Monitoring reports defining service financial problems and key issues with recommended action will be made to the Audit and Governance Committee as required, and to Members in full Authority at year end and at any other time as determined by the CEx(NPO) and CFO. Where agreement on information or recommended action cannot be reached, the CEx(NPO) and CFO have the duty to report separately.

B6.5 With the explicit approval of Members, and subject to the overall outturn position, at the end of each financial year any net under-spend within operational

budgets may be carried forward into the following year via appropriations to and or from reserves.

B6.6 The Authority's final financial position as presented in the Annual Statement of Accounts for approval by Members.

B7 Monitoring and Control of Affordable Borrowing

B7.1 It is the responsibility of the CFO, to develop and maintain systems to monitor performance against prudential indicators. Reports on performance against indicators including early warning of any possible breach of any prudential indicator will be made to the Audit and Governance Committee on a regular basis.

B8 Authority to Incur Revenue Expenditure

B8.1 No expenditure shall be incurred nor any reduction in income authorised unless such expenditure or reduction in income is:

- Covered by the annual or supplementary budgets approved by the Authority.
- The benefit of a carried forward under spending within Regulation B6.5
- Covered by a virement (see B9).

B9 Virements

B9.1 A virement is a movement of budget provision between headings within a cost centre or between cost centres.

B9.2 Where a virement represents a major change in policy and is greater than £30,000, the CEx(NPO) in consultation with the CFO, needs to prepare a brief written report for the Authority seeking its approval to the policy change and the associated virement.

B9.3 Virements up to £5,000 may be approved by a Member of Leadership Team. Virements over £5,000 and up to £30,000 must be approved by the CEx(NPO) [*forms are available on Parknet*]. The signed Virement form and copies of any supporting documentation must be forwarded to the CFO.

B10 Preparation of the Capital Programme

B10.1 The CFO is responsible for ensuring that a capital strategy for the ensuing financial year and three subsequent financial years is prepared, or for a longer period as may be specified by Members and this must be submitted for approval by Members.

B10.2 Before items included in an approved Capital Programme may be committed, a detailed estimate of their cost must be submitted to Members for approval.

B10.3 The amount of capital expenditure to be financed by borrowing, in accordance with the Prudential Code, must be approved by Members.

B11 Authority to Incur and the Control of Capital Expenditure

B11.1 All capital expenditure proposals must be included in the Capital Programme.

B11.2 Revised approval from Members must be obtained if the cost of an item increases above the approved estimate by more than the excess permitted under the Authority's Procurement Procedures. Approved increases must be contained within the approved total programme. Exceptionally, Members' approval may be sought to increase the approved total Programme and its financing.

B11.3 The proposed introduction of new capital items after the Capital Programme has been approved (where additional or in substitution) requires Members' approval.

B11.4 Members must approve any re-phasing or alterations to the Capital Programme.

B11.5 Capital items purchased must be recorded in the appropriate asset register or inventory.

B12 Capital Receipts

B12.1 The proceeds from the sale of land, buildings and equipment are classed as capital receipts. Capital receipts must be accounted for separately and they must not be confused with revenue income such as fees and charges.

B12.2 The CFO must be informed of all proposed sales of land and buildings so that the effect on financial and property management can be assessed.

B12.3 All disposals relating to land and buildings (owned and leased) must be approved by Members in accordance with the Authority's Asset Management Plan and will be public auction or by tender after public advertisement.

B12.4 The CEx(NPO) will be responsible for the negotiations of all such sales in accordance with any delegated approval given the Authority and must be undertaken in accordance with Section 123(2) of the LGA Act 1972 so as to obtain best consideration for the Authority and no favour should be shown to staff or third parties.

B13 Leasing

B13.1 All vehicle, plant, furniture and equipment leasing must be negotiated in consultation with the CFO and where appropriate the Authority's Lawyer. Provision for the acquisition of leased items must be included in the Capital Programme.

B13.2 Members' approval must be obtained before any commitment is entered into for any new property lease so that the effect of Central Government and DEFRA controls on the Capital Programme can be assessed and approved.

C Risk Management and Control of Resources

It is essential that robust, integrated systems are developed for identifying and evaluating all significant operational risks to the Authority. Equally, regulations are needed to ensure arrangements are in place to protect assets and resources of the Authority.

C1 Risk Management

C1.1 Members are responsible for approving the Authority's risk management strategy and for reviewing the overall effectiveness of the strategy.

C1.2 The CEx(NPO) in conjunction with Leadership Team is responsible for preparing the Authority's Risk Management Policy Statement and for promoting it throughout the Authority and updating it.

C1.3 The general controls for risk management are:

- Procedures are in place to identify, assess, prevent or contain material known risks and the procedures are operating effectively throughout the authority
- A monitoring process is in place to review the effectiveness of risk reduction strategies and operation of these controls
- Managers know which risks they are responsible for managing and are provided with relevant information
- Provision is made for any losses that might result from the risks that remain
- Claims are investigated within a given time scale
- Acceptable levels of risk are determined and insured against where appropriate
- The Authority has identified business continuity plans in the event of a disaster that results in significant loss or damage to its resources

C2 Internal Control

Internal control refers to the systems of control devised by management to help ensure the Authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Authority's assets are safeguarded.

Systems of Internal Control

C2.1 The CFO is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations and other relevant statements of best practice.

C2.2 Officers are responsible for establishing sound arrangements for planning, appraising, authorising and controlling their operations to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial and non-financial performance targets.

C2.3 The CFO, shall prepare an annual statement of the effectiveness of the Authority's system of internal control incorporated into the Annual Governance Statement. This statement will be published as part of the Annual Statement of Accounts for approval by Members.

C3 Separation of Duties

C3.1 Financial procedures must be undertaken wherever possible using separate persons to undertake different parts of any one transaction.

C4 Retention of Records

C4.1 Accounting and other records must be retained for periods that comply with relevant legal requirements. Detailed standards are contained within the Authority's Retention Policy.

C5 Investments and Treasury Management

C5.1 All investments of money under its control and all borrowings shall be made in the name of the Authority.

C5.2 All securities that are the property of or in the name of the Authority and the title deeds of property in its ownership shall be held securely by the CFO, or appointed custodians, or the Authority's bankers or as appropriate.

C5.3 The CFO will maintain the Authority's register of stocks, bonds and mortgages and will maintain records of all borrowing of money by the Authority.

C5.4 Funds held in trust will wherever possible be in the name of the Authority.

C5.5 All Officers acting as trustees or controlling funds by virtue of their official position have a duty to exercise due care over the custody of valuables and documents and the administration of funds.

C5.6 The Authority adopts the key recommendations of CIPFA's Treasury Management in Public Services: Code of Practice.

C5.7 Accordingly the Authority will create and maintain a Treasury Management Policy Statement, suitable Treasury Management Practices (TMP's) and will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year and an annual report after its close.

C5.8 Members have delegated responsibility for the execution and administration of treasury management decisions to the CFO who will act in accordance with the organisation's policy statement and TMP's and, if a CIPFA member, with CIPFA's Standard of Professional Practice on Treasury Management.

C5.9 The Authority is required to approve certain maximum borrowing levels before the start of each financial year based on recommendations made by the CFO.

C6 Security of Authority Property

C6.1 The CFO will ensure that a register of land and buildings owned by the Authority is maintained and, in liaison with the Authority's Lawyer, will ensure custody of all title deeds under secure arrangements.

C6.2 Officers are responsible for maintaining proper security of Authority property and cash holdings in accordance with the detailed standards below:

- Other than where approved by the CEx(NPO), the Authority's property must not be removed other than in the ordinary course of the Authority's business or used other than for the Authority's purposes.
- Where Authority property is held in the homes of Officers or Members, those individuals must make reasonable arrangements for its safe custody and return the property when required by the Authority.
- Maximum limits for cash holdings must be agreed with the CFO and must not be exceeded without express permission. All reasonable steps should be taken for the secure storage of cash
- Keys to safes and similar receptacles must be subject to adequate security and the loss of keys must be reported to the CFO immediately. Safes and similar receptacles must be subject to an annual contents review, listing and certification by an appropriate manager.

C6.3 The Head of ICT & Premises is responsible for maintaining proper security and privacy of information held in the main computer installation.

C6.4 The Head of ICT & Premises is responsible for controlling access to main computer installation data and computer data in accordance with the Authority's Data Protection and Computer Security Policy Guidelines.

C7 Sale of Assets

C7.1 The CEx(NPO) may make arrangements for disposal for surplus items (excluding land, buildings and leased items) with an estimated market value of up to £2,500. For items above £2,500 prior approval must be obtained from Members.

C7.2 All disposals of assets and surplus items (excluding land and buildings) must be undertaken in accordance with the Authority's Disposals Procedures (attached at Appendix 1).

C7.3 All disposals relating to land and buildings (including leases) shall be approved by Members and will be in accordance with the Authority's Asset Management Plan and will be via public auction or by tender after public advertisement.

C7.3 All disposals of assets and surplus items must be undertaken in accordance with Section 123(2) of the LGA Act 1972 so as to obtain the best consideration for the Authority and no favour shall be shown to staff or other third parties.

C8 Stocks and Stores

Officers are responsible for the custody and control of stocks and stores allocated to them in accordance with detailed standards below:

C8.1 A complete record of all stores received on behalf of the Authority, whether from suppliers, surplus stores, gifts, or material returned from work sites, together with a record of all stores issues made and stores balances in hand at any time, must be kept in a form agreed by the CFO.

C8.2 In addition to the periodical testing of stocks in hand, Officers must make the necessary arrangements to undertake a complete stocktaking of all stores at least once during each financial year.

C8.3 Where required, Officers must prepare stock sheets, showing at 31 March (as nearly as may be) the actual stocks in hand and their value, and pass them to the CFO. The stocks in hand and their value must be shown in the stores accounts, together with any surpluses or deficiencies.

C8.4 The stocktaking must be supervised by a responsible person (other than the person responsible for the stores) nominated for the purpose by the appropriate Head of Service and both the person taking the stock and the person supervising must certify the stock sheets.

C8.5 Any deficiency or other loss in value including obsolete stock exceeding £200 or any combination of items revealed on the occasion of the annual stocktaking or otherwise, must be reported at the earliest opportunity to the CFO, for the necessary authority to write off each deficiency, or to obtain a decision as to other action to be taken. The report must state quantities and values in question, together with any other relevant information. The CEx(NPO) is empowered to write off deficiencies up to £2,500. Items or a combination of items in excess of £2,500 requires the approval of Members.

C8.6 Wherever a storekeeper or person in charge of stores hands over, leaves or ceases to have custody of stores, the appropriate Head of Service must ensure that a prior reconciliation is made of the stores concerned and that a handing over certificate is signed by the out-going and incoming Officers.

C8.7 Stocks and stores must not be carried in excess of reasonable requirements as ascertained by experience, or in excess of authorised levels notified from time to time.

C9 Inventories

C9.1 Officers are responsible for the maintenance of inventories of plant and equipment in their control in accordance with the instructions issued by the CFO. Such inventories must include items held at the homes of Officers or Members. Service Heads must ensure that:

- Inventories are kept up to date and original copies held by the CFO
- Items held under leasing arrangements are appropriately identified

- Any deficiency, theft or other loss is reported at the earliest opportunity to the CFO.
- The deletion of items from inventories is authorised by the CEx(NPO), subject to the limits in C7.1
- Details of the disposal of the items are stated on the inventory
- An adequate record is maintained of transfer of control and any temporary borrowing or other removal from the establishment of any item which is (or should be) listed in the inventory including items held at the homes of Officers or Members
- Where an officer who is responsible for the custody of the items recorded in an inventory hands over that responsibility to another, the inventory is checked and the incoming officer must sign as accepting responsibility for the custody of the items recorded in the inventory
- A complete inventory check is carried out at least once each year and the result certified by the head of section
- All property owned or acquired by the Authority must, as far as practicable, be effectively marked as Authority property

C10 Insurance

The Authority faces many risks of different kinds in carrying out its functions. Regulations here are designed to protect the interests of the Authority, its staff and the people it serves.

C10.1 The CFO is responsible for advising the CEx(NPO) of the insurances required and of market changes. The CFO must be notified promptly of all new risks or properties which may need to be insured, and of any alterations affecting existing risks or insurances indicating the amount of cover required

C10.2 Any event which gives rise to a claim under any policy of insurance must be notified immediately to the CFO, who will make arrangements to deal with all claims.

C10.3 Any officer in respect of whom the Authority is required by Section 114 of the Local Government Act 1972 to take security and any other person handling public money or money's worth, in respect of whom the Authority consider it desirable, must be covered by insurance in such form as the Authority approves.

C10.4 Any Officer who uses a personal motor vehicle on Authority business is required to insure against third party risks in such form as to indemnify the Authority against claims arising, and the policy, including any necessary endorsements and renewal receipts, must be produced for inspection during the annual staff appraisal process.

C10.5 Before any contract with a third party is made, the Authority's Lawyer must approve the insurance cover to be furnished by the contractor in respect of any act or default.

C11 Ex Gratia Payments

Ex-gratia payments are made in situations where no legal obligation exists.

C11.1 The CEx(NPO) may make any ex gratia payment in a sum not exceeding £1,500 to any person who is proved to have suffered a direct identifiable loss as a result of the Authority's actions or failure to act.

C11.2 The CEx(NPO) may reimburse the costs of damage or loss of an Officer's personal property up to a maximum of £500 in any one case, provided it is shown that the damage or loss arose in the course of the Officer's duties without negligence or carelessness on the Officer's part.

C12 Gifts and Hospitality

The Authority and the public expect the highest standards of integrity from public servants. Formal standards are in place to guide Officers and Members on these matters and to ensure consistency of judgement. All Officers must observe the provisions of the Authority's policy on Gifts and Hospitality set out in the detailed standards below.

C12.1 A gifts and Hospitality Register is maintained by the CFO and Officers and Members must provide the CFO with the details of any gifts and hospitality offered, received and refused so that a record can be kept.

C12.2 A particular source of conflict between the private and public interest is the offer of gifts, hospitality or benefits in kind to Members and Officers in connection with their official duties. An exercise of judgement may sometimes be necessary to decide how the public interest and the Authority's good name may be served. A reasonable amount of entertainment is a normal part of the courtesies of public life and extreme strictness can give unnecessary offence to people and organisations with whom the Authority's relationships should be cordial. But an appearance of improper influence is easily created and with it encouragement of cynicism about the motives of those who serve in local government.

C12.3 With the exceptions listed below, a Member or Officer should refuse any personal gift offered to him/her or to a member of his/her family, by any person or body who has or seeks dealings with the Authority. Any such offer should be reported to the Monitoring Officer and/or CFO without delay. These paragraphs are particularly directed to individuals or organisations or persons who already provide or who seek to provide work, goods or services to the Authority, e.g. building contractors, suppliers of goods or equipment and firms to provide professional or commercial services to the Authority.

C12.4 Exceptions:

- A modest gift of a promotional character given to a wide range of people. These gifts are usually given at Christmas time and include calendars, diaries, desk sets, tape measures, scales and other articles of use in the office
- Gifts on conclusion of any courtesy visit to a factory or firm of a sort normally given by that firm

- A modest gift where refusal would cause needless offence and the giver is not seeking a decision of business, but merely wishes to express thanks for advice, help or co-operation received

It is wise to err on the side of caution and an obviously expensive gift should raise a question, even if it otherwise falls within one of the above categories. If in doubt, seek the advice of the Monitoring Officer or CFO. Officers and Members are respectfully reminded that it is a criminal offence to give/receive any fee or reward to gain a commercial advantage (Section 117(2) of the LGA Act 1972 and the Bribery Act 2010).

C12.5 When a gift has to be refused, this should be with tact, because the offer of gifts is common practice in the commercial world. In some cases a gift is simply delivered and there may be a problem over returning it. It is sometimes acceptable to the giver for the gift to be the subject of a raffle and the proceeds placed to a charitable fund. An arrangement of this sort should only be made with the approval of the Monitoring Officer or CFO, recorded in writing.

C12.6 Hospitality is sometimes offered to representatives of the Authority and is accepted at official level because it is reasonable in all circumstances. Where it is offered to individual employees, special caution is needed where the host is seeking to do business with the Authority or to obtain a decision from it. It is important to avoid any suggestion of improper influence. The question is one of judgement and the following examples are intended to give general guidance:

Acceptable:

- A working lunch of modest standard provided to allow the parties to continue to discuss business. Officers should seek approval for reciprocation on a subsequent occasion, if there is a need for a further meeting
- Invitation to a Society or Institute dinner or function
- Invitation to take part in a sporting event
- Invitation to take part in Company jubilee or other anniversary celebration.

Unacceptable:

- Holiday abroad, at home or weekend in a holiday centre
- Offer of hotel or theatre tickets
- Use of a company flat or hotel suite
- Free ticket(s) to attend a sporting events

C12.7 In general terms it will often be more acceptable to join in hospitality offered to a group than to accept something unique to oneself. When a particular matter is currently an issue with the Authority, e.g. arbitration, then clearly common-sense dictates that offers of hospitality be refused; even if in normal times they would be acceptable.

C13 Voluntary Unofficial Funds

For reasons of probity and accountability, the good practice applied to Authority funds should also applied to unofficial funds. This section therefore requires that

administrative arrangements for unofficial funds meet the standards expected by the Authority.

C13.1 Officers controlling, wholly or in part, any voluntary unofficial fund must ensure that accounting arrangements are in place which comply with the detailed standards below and other guidance issued by the CFO.

C13.2 Service Heads must ensure that they are aware of any voluntary unofficial funds in their area of work, maintain a record of them and ensure that the accounts are audited and put before the management bodies annually.

C13.3 Officers must ensure that arrangements are in place to:

- Ensure that a suitably experienced person (not necessarily professionally qualified) audits the fund in accordance with procedures recommended by the CFO
- Arrange for audited statements of accounts to be submitted to and received by the appropriate management body at least annually. Such statements must include a signed certificate in a form prescribed by the CFO
- Ensure other guidance issued by the CFO is complied with

C14 Fraud and Corruption

C14.1 All Officers and Members are responsible for giving immediate notification to the Monitoring Officer or CFO where there are grounds to suggest any financial impropriety or irregularity concerning income, expenditure, cash, stores, or other property of the Authority or held by the Authority.

C14.2 Any suspected financial irregularity will be dealt with in accordance with the Authority's policy entitled 'Strategy for Dealing with Financial Irregularities'.

C14.3 Where there are reasonable grounds to suggest irregularity, the Monitoring Officer and/or CFO shall decide, in consultation with the CEx(NPO) and after appropriate legal advice as necessary, whether to hold a preliminary investigation or inform the police (if it is considered that a criminal offence may have been committed). A report of any irregularity will normally be made to Members at the next meeting of the Authority.

C15 Audit Requirements

The Authority has a statutory responsibility to maintain an effective and adequate system of internal audit. Regulations in this area are therefore important to provide a formal framework for the activities of the internal audit team. There are also statutory requirements in respect of external audit and other inspection agencies.

Internal Audit

C15.1 As required by legislation the CFO will maintain an internal audit of the Authority's financial dealings.

C15.2 Internal audit will follow professional standards and guidelines issued by CIPFA and the Auditing Practices Board.

C15.3 The CFO or authorised representatives may, for the purposes of audit:

- Enter on any premises or land and have access to all property in the keeping or ownership of the Authority;
- Have access at all times to all records, documents and correspondence relating to all financial and other transactions of the Authority or non-official funds operated by staff of the Authority;
- Require and must receive any explanations as are necessary;
- Require any employee of the Authority to produce cash, stores or any other property of the Authority or that of an unofficial fund under his control;
- Remove records, documents or assets required for further investigation

External Audit

C15.4 The Authority will ensure that external auditors are appointed as required by law and that the external auditors carry out the duties prescribed by law.

Other Review Bodies

C15.5 The Authority may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs and, who have statutory rights of access.

C16 Staffing

C16.1 The CEx(NPO) and Leadership Team are responsible for the operation of the following controls over staffing:

- A staffing strategy is in place that matches staffing requirements and budget allocations
- Appropriate methods are used to forecast staffing requirements and related costs
- Any additions to the staffing establishment and any salary or pension related changes that result in an increased budget requirement, are subject to the approval of the CEx(NPO)
- Procedures are in place to ensure that only authorised vacancies are advertised
- Monitoring of staffing costs against budget is undertaken on monthly basis and is reported to Leadership Team
- The Authority's Recruitment and Selection Policy is followed at all stages of every recruitment process

C 17 Official Conduct

The Head of Organisational Development is responsible for ensuring that Officers are properly inducted and that their terms and conditions of employment (as laid down in the Statement of Particulars) are explained fully together with all local rules and agreements relating to employment with the Authority

C17.1 It is expected that Officers will demonstrate the highest level of integrity and although off duty hours are personal, Officers should never put themselves into a

situation where there is any possibility that private interests could conflict with their official duty as an Officer of the Authority.

C17.2 If it comes to an Officer's knowledge, that a contract or transaction, in which that Officer has a personal or pecuniary interest, whether direct or indirect, (not being a contract to which the Officer is a party) had been, or is proposed to be, entered into by the Authority, the Officer should give notice in writing to the Monitoring Officer of that interest, as soon as is practicable.

C17.3 Officers employed on salary scale DNPA Grade 6 or above are expected to devote their whole time service to the work of the Authority and not engage in any other business or take up any additional appointment without the express written consent of the CEx(NPO).

C17.4 Any Officer employed on or below salary scale grade 5 who wishes to undertake additional employment or work should inform their line manager in writing and may be required to enter into an undertaking regarding confidentiality if there is believed to be potential for conflict of interest.

C17.5 Officers must not disclose to any person (including the public and other Officers employed by the Authority) the confidential (Part II) proceedings of any meeting of the Authority or any committee or sub-committee or working panel, or any report or briefing document prepared for or submitted to such meeting or oral report or briefing given at such meeting, nor the contents of any confidential document belonging to or relating to the Authority, unless required by law or expressly authorised in writing to do so by the CEx(NPO).

D Systems and Procedures

This area forms much of the routine financial business of the Authority and involves large numbers of transactions and Officers. This area will be of interest to many people and it is important that such a major area of activity is clearly regulated and those regulations are supported by thorough detailed standards.

D1 General Controls

D1.1 The general controls for systems and procedures are:

- Basic data exists to enable the Authority's objectives, targets, budgets and plans to be formulated
- Performance is communicated to the appropriate managers on an accurate, complete and timely basis
- Early warning is provided of deviations from targets, plans and budgets and management action taken
- Operating systems and procedures are secure

D2 Purchasing Arrangements

D2.1 Authorised spending Officers must ensure and be able to demonstrate that the Authority obtains value for money in purchasing activity and that purchasing accords with corporate and service priorities and where appropriate the procurement plan and is sustainable in nature.

D2.2 The most effective and sustainable purchasing arrangements must be used and must always be in compliance with the Authority's Procurement Procedures and Sustainable Procurement Policy.

D2.3 The CFO will seek to provide access to a range purchasing options. Corporate contracts and approved framework contracts must be used where such contracts exist. The Authority may also have access to other external procurement contracts, for example:

- Joint procurement arrangements and framework agreements with the Devon & Cornwall Procurement Partnership
- Joint procurement arrangements and framework agreements with other local authorities, Central Government and/or public bodies i.e. national agreements
- Low cost items may be purchased through an imprest account in accordance with D6
- Low value high volume purchases may be made via a Government Procurement card in accordance with D5

D2.3 The CFO will ensure that e-business / purchasing processes maintain the security and integrity for transacting business electronically and must approve the introduction of such systems.

D2.4 In accordance with the relevant codes of practice, every Officer and Member who is involved in contractual or purchasing decisions and issuing payments on

behalf of the Authority, has a responsibility to formally declare any links or personal interests which they may have with purchasers, suppliers or contractors and in respect of partnership arrangements.

D3 Orders for Goods and Services

Officers are responsible for the control and use of all orders and requisitions under their control and for access to the systems that generate them in accordance with the detailed standards below:

D3.1 Orders are to be raised electronically on the Finance (FINEST) system by the Finance Team. The design of Request For Order (RFO) forms must be approved in advance by the CFO.

D3.2 Leadership Team are responsible for:

- Providing the CFO with the names and limits of their authority of those Officers authorised to sign RFOs and a specimen of their signatures
- Ensuring that Officers issuing orders have received appropriate purchasing training
- Ensuring every RFO clearly specifies the standards, quality and quantity of goods and services required
- Ensuring every RFO states the agreed price or contract terms and times of delivery
- Ensuring every RFO is dated & signed by an authorised officer
- Ensuring every order is in compliance with the Sustainable Procurement Policy and Procurement Procedures
- A counter-signature is required for any order over the value of £5,000

D3.3 Authorised spending Officers are responsible for ensuring that budget provision exists for all purchases and commitments created.

D3.4 RFOs will be forwarded to the CFO so that the official order can be raised and a commitment made in the Authority's Financial Ledger. The Finance Team will make checks against all of the items listed at D3.2 & D3.3 above.

D3.5 For orders place by telephone, email, internet or verbally, the Officer is responsible for ensuring that the Authority receives the goods that have been ordered. A copy of the order must be confirmed by written order sent to the supplier not later than the next working day, or the transaction must be entered onto the Officer's procurement card log sheet and forwarded to the CFO to be reconciled at each month end.

D3.6 Orders are required for all purchases except:

- Rents (previously agreed)
- 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
- Small items purchased from imprest accounts
- Items purchased by via a Government Procurement Card

D3.7 The detailed standards, financial limits, number of quotations required and instances where tendering must be undertaken are laid out in the Authority's Procurement Procedures. Officers responsible for procurement must be appropriately trained and must comply with these instructions.

D3.8 Officers are not permitted to purchase goods privately under the Authority's contract arrangements or solicit preferential treatment in a private capacity from the Authority's suppliers. Officers are not permitted to accept gifts from the Authority's suppliers, or potential suppliers as set out in the Authority's statement of official conduct and referred to in section C17 of this document.

D3.9 If any professional person is to be engaged as a consultant or advisor, the appointment must be in accordance with A8 Use of consultants and must comply with the Authority's Procurement procedures.

D4 Payment of Accounts

All payment of accounts shall be under the direction of the CFO, as set out below.

D4.1 The authorised spending Officer who issues the order shall be responsible for the examination, certification and submission for payment of the related invoice within the appropriate payment terms. The Officer will be required to certify that:

- The invoice request for payment relates to a proper liability of the Authority which has not previously been discharged
- The goods or services have been received and are of the quality and quantity ordered and all procedures have been followed
- The officer certifying each of the foregoing matters shall sign on the appropriate section of the certificate
- The expenditure is allocated to the correct analysis code
- Sufficient budget provision exists to meet the liability
- A counter-signature by a member of the Leadership Team is required for any payment over the value of £5,000

D4.2 Certified invoices for payment will be forwarded to the CFO so that the Finance Team can ensure that:

- All 'brought forward' items have been excluded
- The prices, extensions and tax are correct; all available discounts, allowances and credits have been deducted; arithmetical calculations are correct; the total certified for payment agrees with the invoiced amount and the document is a proper tax invoice within the meaning of Value Added Tax Regulations
- The expenditure is allocated to the correct analysis code and is covered by an approved estimate

- Where specific authorisation is required for the expenditure, the appropriate authority (e.g. minute) is quoted
- Where appropriate, entries have been made on inventories, stores, records, stock books and on the Authority's copy of the order

D4.3 Authorised spending Officers will supply specimens of their signatures. The CFO will make arrangements for an annual certification by the CEx(NPO) of the list of approved signatories.

D4.2 Suppliers invoices must not be prepared by Officers of the Authority. If it is necessary for an Officer to amend an invoice, that fact and the reason therefore shall be shown on the invoice and the amendment must conform to VAT regulations.

D4.3 If, on examining any item submitted for payment, a member of the Finance Team is not satisfied that it is in order, such investigations as deemed necessary, either before or after payment, will be instigated and brought to the attention of the CFO.

D4.4 In exceptional circumstances payment may be required in advance of the supply of goods or services, though this is not best practice. In such cases, payment must follow the normal authorisation process as stated above, with the exception that the goods or services will not yet have been received, the CFO should approve each such transaction. The authorising Officer must take extra care in such transactions and ensure:

- Only reputable suppliers are used
- That the amounts of such payments are appropriate to be paid in advance and do not present unnecessary risk
- All other reasonable steps are taken to protect the Authority from risk and potential loss

D4.5 Officers must ensure that valid payments are processed in sufficient time to meet payment deadlines and to avoid late payments and avoid potential penalties being incurred.

D4.6 The use of Direct Debits as a payment method requires the prior agreement of the CFO.

D4.7 The Authority's preferred method of payment of accounts, grant-aid and other contributions is via the BACS payment system and so Officers must obtain the required banking details from third parties in all instances. (Forms are available in Finance).

D4.8 All suppliers are required to provide details of their business (trading status, VAT registration number, Company Registration number etc) before being entered into the Authority's financial system to enable the Authority to carry out an appropriate assessment of the business relationship / employment status for taxation purposes. (See also D10)

D4.9 Officers who have contact with suppliers of goods or services who are engaged in pressure selling activities, or who receive unsolicited promotional or direct marketing materials, or who receive invoices for goods or services not received, are required to report the matter to their line manager, who, in turn, will advise the CFO.

D4.10 Officers who procure the services of a contractor are responsible for checking the competency of that contractor to carry out the work. This will include checking the details of appropriate insurance(s) and if appropriate, evidence of relevant qualifications, a Health & Safety policy statement, risk assessments and method statements. For large and high value contracts Officers may need to assess whether the contractor has the appropriate financial stability to complete the work.

D4.11 All such assessments must be made before any commitment is made or contract awarded and shall be in conformity with the Authority's Contractor Vetting Policy adopted May 2014.

D5 Government Procurement Cards

D5.1 The CFO will ensure that proper arrangements are made for the administration of Government Procurement Cards. The CFO issue cards where circumstances require, once approval had been given by the CEx(NPO).

D5.2 Authorised spending Officers are responsible for ensuring that Government Procurement cards are only held as authorised and are used strictly in compliance with the specific guidance issued by the CFO.

D6 Imprest Accounts and Advances

These are separate bank accounts, with a cheque book facility, to which an advance is made to facilitate quick payment for small items.

D6.1 Advances may be made to appropriate officers on account of imprest expenditure or for other reasons as may be agreed by the CFO.

D6.2 Imprest accounts may only be established and their details amended by the CFO, who will make any necessary arrangements with the Authority's bankers.

D6.3 Imprest holders must maintain a complete record of all transactions. At least once in each month expenditure must be certified by the Head of Service or other authorised officer as correctly paid; the cash in hand (and where applicable, reconciled bank account balances) reconciled with the balance shown on the account; and reimbursement, supported by all relevant vouchers claimed from the CFO in such a form as he/she may require must be verified. The reconciliation should take account of any reimbursement already claimed but not yet received.

D6.4 In no circumstances may cash received, other than imprest account reimbursement, be paid into these accounts.

D6.5 None of the following items of expenditure shall be paid out of imprest:

- Sums which fall due for payment periodically (e.g. rents)

- Travelling expenses of officers (other than very minor items below £10 for occasions which are neither regular nor frequent) or of Members of the Authority
- Single payments of £30.00 or more
- Payment of (or on account) of salaries or wages or payment to an individual of employed status

D6.6 Payments must not normally be made from imprest to creditors with whom the Authority has regular dealings.

D6.7 When required each officer holding an imprest must certify in writing to the CFO that such items are held either in cash or in vouchers to be reimbursed.

D6.8 It is the duty of authorised spending Officers:

- To verify balances independently of the imprest holder at frequent intervals
- To notify the CFO upon giving notice to leave the employment of the Authority, or immediately that they cease to be responsible for such imprest account

D6.9 A bank account must be opened for all imprest accounts exceeding £100; such bank accounts must not be allowed to run into overdraft. Directors must notify the CFO of all authorised signatories and subsequent changes. Such bank accounts will require two signatories to authorise cheque payments.

D6.10 All reasonable steps should be taken for the secure storage of cash.

D7 Salaries, Wages and Pensions

Regulations are essential in this area and are vital to ensuring Officers are paid accurately, on time and that payroll information of sound quality is available to management. The payment of salaries, wages, pensions, compensation and other emoluments to all employees will be made by the CFO or under arrangements as detailed in the standards below:

D7.1 The Head of Organisational Development will be responsible for the administration of the payment of salaries, wages, pensions, compensation and other emoluments to all Officers or former Officers of the Authority.

D7.2 Service Heads will ensure that all necessary information is supplied to the Head of Organisational Development to enable the contracted Payroll Provider to be advised in accordance with the timetables and in the form prescribed of all matters affecting the payment of emoluments and in particular:

- Appointments, resignations, dismissals, suspensions, secondments and transfers
- Absences from duty for sickness or other reason, apart from approved leave.
- Changes in remuneration, other than normal increments and agreements of general application
- Information necessary to maintain records of service for superannuation, income tax, national insurance etc.

D7.3 Appointments of all Officers must be made in accordance with the regulations of the Authority concerning establishments, grades and rates of pay.

D7.4 All time records or other pay documents must be maintained and in a form prescribed or approved by the Head of Organisational Development in consultation with the CFO and the Payroll Provider and must be certified by CFO.

D7.5 In accordance with the Authority's Job Evaluation Scheme when applying scales of salaries or wages, Service Heads must consult the Head of Organisational Development and the CFO.

D7.6 Where errors in the payment of salaries, wages or pensions are discovered, the Head of Organisational Development and the CFO must be informed immediately. It is the responsibility of the Head of Organisational Development to inform employees or former employees of errors and to require the Contracted Payroll Provider to recover any sums overpaid in accordance with prescribed procedures.

D7.7 The CEx(NPO) may write off any overpayment not exceeding £1,000 if after consultation with the CFO and the Head of Organisational Development he/she is satisfied:

- that all steps have been taken to recover the sums due; or
- that the cost of recovering any sums due would exceed the sum involved; or
- that recovery would cause hardship to the employee concerned

D7.8 The prior approval of Members must be obtained to write off any overpayment in excess of £1,000.

D8 Travelling, Subsistence and Financial Loss Allowances

D8.1 All claims for payments of car allowances, subsistence allowances, travelling and incidental expenses must be submitted to the CFO with all relevant receipts in accordance with the terms and conditions of the Authority scheme. The claims must be duly certified and in a form approved by the CFO and made up to a specified day of each month.

D8.2 The certification by the approved authorising Officer will be taken to mean that the allowances are properly payable by the Authority.

D8.3 Claims from Officers & Members submitted more than three months after the expenses were incurred will only be paid in exceptional circumstances and then, only with the express approval of the CEx(NPO).

D9 Income and Banking

It is important that all income due to the Authority is identified, collected on time and recorded accurately in the Authority's accounts. Also banking arrangements must be appropriate and well recorded for the Authority to exercise adequate control.

Income

D9.1 Authorised spending officers are responsible for making arrangements for the collection of sums due to the Authority and for the issuing of official receipts and invoices in accordance with detailed standards below.

D9.2 A limit is imposed on the cash amount to be received in settlement for the payment for goods and services of £500.00 in any one transaction. This limit is required to ensure the Authority complies with the Money Laundering Regulations.

D9.3 Scales of charges for services and any allowances and any variations thereof (except where fixed by statute) must be reviewed at regular intervals by Leadership Team before submission to the Authority for approval.

D9.4 The CFO must be consulted on any proposal to acquire any cash till or accounting equipment.

D9.5 The records kept by each authorised spending Officer with regard to items of income must be in such form as agreed by the CFO.

D9.6 Officers shall provide to the CFO such particulars in connection with work done, goods supplied, or services rendered and all other amounts due, as may be required to record correctly all sums due to the Authority and to ensure promptness in the rendering of accounts and the recover thereof.

D9.7 The CFO must be notified promptly of all money due under contracts, leases, tenancy and other arrangements entered into which involve the receipt of money by the Authority and must have access to the original documents or relative particulars.

D9.8 The CFO will ensure that a detailed record of Authority owned or leased land and buildings is maintained in respect of which rent is or may be receivable, together with sufficient details of the terms of tenancy/usage to enable the correct amount of rents to be recovered, either directly from the tenant or by deduction from salary or wages in the case of service tenants. The CFO is responsible for ensuring that an annual review of the Authority's rent roll in respect of all land and buildings held by the Authority.

D9.9 The CEx(NPO) may authorise the writing off of any sum not exceeding £2,500 due to the Authority if he/she is satisfied that all reasonable recovery action has been taken to recover the sum due. Members' prior approval must be obtained to write off any sum in excess of £2,500.

D9.10 Where the Authority contracts to supply goods or services to external parties, the arrangements must avoid inappropriate subsidy.

Banking Arrangements

D9.11 The CFO is authorised to make arrangements regarding the Authority's bank accounts. All such bank accounts will be in the name of the Dartmoor National Park Authority.

D9.12 The CFO will ensure that a monthly bank reconciliation is carried out for all of the Authority's bank accounts and will carry out a summary bank reconciliation annually.

D9.13 Officers will be advised by the CFO on secure arrangements for the collection and banking of cash and for prompt reconciliation and monitoring of these monies.

D9.14 Unless otherwise agreed in writing by the CEx(NPO), Officers authorised to collect Authority money must issue official receipts promptly, at such intervals as the Authority may direct, pay over all sums received to the CFO, or by arrangement, to the Authority's bankers. All reasonable steps should be taken for the storage of cash, and should conform to the requirements imposed by the Authority's insurers.

D9.15 Each Officer who receives money on behalf of the Authority must keep an accurate and chronological account of all receipts and deposits.

D9.16 Money received or held on behalf of the Authority must be banked in full and not be used to cash personal or any other cheques whatsoever.

D9.17 Receipts must only be issued on officially authorised receipt books, tickets and other documents of a similar nature which have been ordered and issued by, or under the direction of the CFO. A record must be maintained of every issue of such documents.

D9.18 When banking monies, care must be taken to ensure accurate use of analysis codes.

D10 Taxation

D10.1 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.

D10.2 Officers must ensure that they are aware of the various tax regimes that impact on their areas of operational activity and ensure that they are compliant with legislation governing tax and the standards below. See also D4.8

VAT

D10.3 Officers should be aware of the Authority's VAT manuals and have access to them as the primary reference document for VAT related matters.

D10.4 VAT must be paid and recovered within the time constraints laid down by H.M. Revenue & Customs.

D10.5 Officers are responsible for obtaining and issuing proper tax documents (e.g. invoices, receipts) to ensure compliance with VAT law and to facilitate full VAT recovery on expenditure.

Other Taxation

D10.6 Guidance on taxation matters, other than VAT will be issued from time to time by the CFO.

D10.7 Officers responsible for the issuing or payment of invoices must give consideration to the impact of various taxes. Particular attention should be paid to the correct treatment of employment taxes and VAT.

D10.8 In instances of doubt over the correct treatment of taxation, Officers should contact the CFO, who will consult with the contracted out service providers for Vat & PAYE and /or HMRC as required.

D11 Controlled Stationery

D11.1 The CFO will ensure that a proper record of controlled stationery is maintained , recording stocks of controlled stationery and providing details of to whom such items have been issued.

E External Arrangements

The importance of this area is in the Authority's distinctive leadership role for the community, bringing together contributions from various stakeholders, maximising funding opportunities and achieving best value. This may involve the establishment of partnership arrangements, joint ventures, pooled budgets and externally funded projects. It is therefore essential that the responsibilities, obligations and commitment attached to such arrangements are properly managed and accounted for.

E1 Partnership Arrangements, Joint Ventures and Pooled Budgets

E1.1 The CFO must be consulted on the financial and probity implications of all partnership agreements, joint ventures, pooled budgets and similar arrangements before any such agreements are finalised. Such arrangements must be approved by the CFO and be in accordance with the detailed standards below. Officers are expected to agree and formally accept the roles and responsibilities of each of the partners involved before the project commences and to communicate regularly with partners for the duration of the project.

E1.2 Lead Officers are responsible for assessing the risks and benefits associated with partnership, joint venture, and pooled budget arrangements and for ensuring any such arrangement is in the best interest of the Authority and service users.

E1.3 Lead Officers are responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships, joint ventures and pooled budgets that apply throughout the Authority.

E1.4 Partnership arrangements may be used as a means of employing staff, acquiring goods, commissioning works or services and may be of a complex nature. It is therefore essential that the CFO, The Head of OD and the Authority's Lawyer are consulted on the arrangements before any commitment is made, in particular that:

- Costs and income are provided for in the Authority's budget
- A written partnership document has been prepared, setting out ideas, responsibilities, duties and accountabilities
- Appropriate accounting arrangements are in place
- Sufficient controls are in place for the successful operation of the partnership, including arrangements for access to financial and other records
- A formal risk assessment has taken place and a management strategy devised
- Insurance issues have been addressed
- An auditing regime has been established
- Carry forward arrangements have been determined
- An exit strategy has been determined

E2 External Funding

E2.1 The CFO must be consulted on the financial and probity implications of all projects involving funding from external sources (e.g. Heritage Lottery grants, European Social Funds etc.) Particular care should be taken to ensure that funding conditions are fully compatible with the aims and objectives of the Authority.

E2.2 All funding from external bodies or associated parties must be recorded in the Authority's accounts.

E2.3 Key conditions of funding and any statutory requirements must be understood and followed.

E2.4 Any matched funding requirements must be given due consideration prior to entering into long-term agreements and future revenue budgets must reflect those requirements.

E2.5 Consideration of employees' rights, funded by such finance, should be carefully reviewed prior to appointment.

E3 Work for Third Parties

Current legislation enables the Authority to provide a range of services to other bodies, within prescribed parameters. The following matters must be addressed before any commitment is made or work undertaken:

- **Legality** - the Authority's Lawyer should be consulted to ensure that the proposed work is within the Authority's powers.
- **Finance** - proposals should be costed properly and provision made to ensure that the Authority is not at risk of non-payment for work done.
- **Contract** - a formal written contract should be drawn up in consultation with the Authority's Lawyer, CFO and approved by the authorised spending Officer.
- **Capacity** - it must be clearly shown that the Authority has the appropriate expertise and insurance to undertake the contract and that the delivery of the contract will not adversely impact upon the Authority's work.

Formal contracts or a memorandum of understanding should be drawn up prior to any work commencing.