

# Dartmoor National Park Authority



## FINANCIAL REGULATIONS

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<b>INDEX</b>	<b>Page</b>
<b>Introduction</b>	<b>3</b>
The Purpose of Financial Regulations	3
Status of Financial Regulations	3
Financial Principles	4
<b>A. Financial Management</b>	
A1 The Authority	6
A2 Audit and Governance Committee	6
A3 Statutory Officers	6
A4 Financial Control	7
A5 Accounting Arrangements	7
A6 Year End Accounting	8
A7 Grants and Contributions	8
A8 Use of Consultants	9
<b>B. Financial Planning and Control of Expenditure</b>	
B1 Policy Framework	10
B2 Revenue Budget Preparation	10
B3 Resource Allocation	10
B4 Maintenance of Reserves	11
B5 Revenue Budget Management and Control	11
B6 Authority to Incur Revenue Expenditure	11
B7 Virements	11
B8 Capital Expenditure and Leasing	12
<b>C. Risk Management and Internal Control</b>	
C1 Risk Management	14
C2 Internal Control	14
C3 Retention of Records	14
C4 Investments and Treasury Management	15
C5 Security of Authority Property	16

C6	Sale of Assets	16
C7	Stocks and Stores	17
C8	Inventories	18
C9	Insurance	18
C10	Ex Gratia Payments	19
C11	Gifts and Hospitality	19
C12	Voluntary Unofficial Funds	21
C13	Fraud & Corruption	21
C14	Audit Requirements	21
C15	Staffing	22
C16	Guarantees	22
	<b>D. Income Banking and Taxation</b>	
D1	Income and Banking	23
D2	Taxation	23
	<b>E. Collaborative and Agency Arrangements, External Funding and Service Changes</b>	
E1	Collaborative Arrangements, Joint Ventures and Joint Operational Models	24
E2	External Funding	24
E3	Work for Third Parties (Agency Arrangements)	24
	<b>F. Specific Projects</b>	
F1	Dartmoor Land Use Management Group	26
	<b>Glossary of Terms</b>	27

# INTRODUCTION

## The Purpose of Financial Regulations

1. Dartmoor National Park Authority is responsible for millions of pounds of public money and has statutory responsibilities in relation to its financial affairs.
2. The Local Government Act 1972 directs that local authorities shall make arrangements for the proper administration of their financial affairs, and that one of their officers be responsible for the administration of those affairs. The Authority designates the Head of Business Support as the Chief Finance Officer and the Section 151 Officer responsible for establishing and maintaining the Authority's Financial Regulations and Financial Procedures which set out how the regulations will be implemented. The Financial regulations set out the financial policies of the Authority. The Chief Finance Officer (CFO) is responsible for presenting all updates which must be approved by the Authority members and any breaches of these regulations must be reported to the members.
3. The CFO is also responsible for the accounting system, ensuring, by maintaining an effective and adequate internal audit, that all accounting records are satisfactorily maintained.
4. For employees, these regulations form part of the Authority's Standing Orders, and a breach will be considered a disciplinary offence which will invoke those procedures (and may lead to dismissal).
5. For Members, adherence to these regulations form part of the Authority's Standing Orders and any breach of these regulations will be reported to the Monitoring Officer and Standards Committee who will make an appropriate decision on actions to be taken.

## Status of Financial Regulations

1. 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.
2. 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
3. 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.

4. 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 resources is legal, properly authorised, provides value for money and achieves best value.
5. 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.
6. All officers are responsible for ensuring that they are fully aware of the existence and content of Financial Regulations and of the Financial Procedures and that they comply with them. 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
  - Whistleblowing Policy

## **Financial Principles**

1. 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.
2. The principles below provide the basis for the detailed guidance in Financial Regulations and are not expressed in any order of importance or priority:
  - The Authority is responsible for the stewardship of public money and will make arrangements to safeguard the interests of all its stakeholders.
  - The Authority expects Members and Officers to exercise high standards in financial management and administration.
  - 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.
  - 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.

- Issues of probity will be dealt with effectively and the Authority will work to meet its duty to maintain proper accounts and related records.
- Value for money is at the core of the Authority's financial activity and the way in which it administers its financial affairs.
- Compliance with statutory requirements, accounting standards and appropriate codes of practice will be inherent in the Authority's arrangements for financial matters.
- Allocation of responsibility and authority in relation to financial matters will be clearly identified.
- 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.
- 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.
- 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

1. 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 Committee

1. 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.
2. The **Standards Committee** is responsible for advising the members on the adoption and revision of the members Code of Conduct and for monitoring the operation of the code.

### A3 Statutory Officers

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. The NPO is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation.
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 also responsible for advising the Authority if a proposed decision could be considered contrary to the budget.
3. The **Chief Finance Officer** (also known as Section 151 Officer) (CFO) is responsible for advising the Authority on all financial matters, in particular:

- **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 they consider 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 Chairperson of the Authority, shall have the powers to take any action necessary to safeguard the financial interests of the Authority.

- **Advice**

The CFO is responsible for advising Members on all financial matters. They must be consulted on all financial matters and given adequate opportunity to provide written comments in any report 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.

#### **4. Money Laundering**

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 and fulfil other duties as defined by legislation or regulation. Officers are appropriately trained and if any suspicions arise, the CFO will be informed.

### **A4 Financial Control**

1. 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 their approval on any matter that could materially affect the Authority's financial position before any commitments are incurred.

### **A5 Accounting Arrangements**

1. The CFO is responsible for keeping the accounts and financial records of the Authority. They must also approve the accounting systems with a financial function and accounting records in use.
2. Accounting procedures will reflect recommended professional practices, and follow accounting principles as determined by the CFO. Accounting procedures will be reviewed as necessary by the CFO in consultation with the Heads of Service to ensure that they provide the information required without duplication of records.
3. No change to existing accounting procedures must be made without agreement from the CFO.

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

## **A6 Year End Accounting**

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 in the United Kingdom" (CIPFA/LASAAC). The Audit & Governance Committee is responsible for approving the annual Revenue and Capital Outturn and for agreeing procedures for carrying forward 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 Grants & Contributions**

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).
2. Grants or contributions over £5,000 must be approved by Members prior to payment.
3. The only allowable deviation from the Authority's threshold will be in the instance where the associated grant giving project has a national set government framework, whose thresholds are of a different value. These will take precedence over the Authority's threshold.
4. 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.
5. 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.
6. 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.

## **A8 Use of Consultants**

7. 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.
8. 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.



9. 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.
10. 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.
11. The only allowable deviation from the Authority's threshold will be in the instance where the project has a nationally set government framework, whose thresholds are of different value. These will take precedence over the Authority's threshold.

## **B Financial Planning and Control of Expenditure**

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**

1. Members are responsible for agreeing the Authority's policy 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**

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.
2. The CFO is responsible for providing guidance on the general format of the budget.
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.
4. The CFO will submit a Medium Term Financial Plan to the full Authority for approval by 31 March each year.
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 Resource Allocation**

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 (B1.1) and changing priorities within that.
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.

#### **B4 Maintenance of Reserves**

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. This advice to be based on an annual risk assessment of the Authority.
2. The medium term financial plan should, in part, be based on how to either reach or maintain this recommended level of reserves.

#### **B5 Revenue Budget Management and Control**

1. Management and control of each section of the Authority's budget (or part where appropriate) is the responsibility of Leadership Team.
2. Leadership Team must ensure that there are authorised spending officers accountable to them for the detailed management of any allocated budget(s).
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).
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.
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.
6. The Authority's final financial position as presented in the Annual Statement of Accounts will be approved by Members.

#### **B6 Authority to Incur Revenue Expenditure**

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 (see B5.5)
  - Covered by a virement (see B7).

#### **B7 Virements**

1. 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 report for the Authority seeking its approval to the policy change and the associated virement.
2. 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.

## **B8 Capital Expenditure and Leasing**

### **Preparation of the Capital Programme**

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.
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.
3. The amount of capital expenditure to be financed by borrowing, in accordance with the Prudential Code, must be approved by Members.
4. All capital expenditure proposals must be included in the Capital Programme.
5. 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.
6. The proposed introduction of new capital items after the Capital Programme has been approved (where additional or in substitution) requires Members' approval.
7. Members must approve any re-phasing or alterations to the Capital Programme.
8. Capital items purchased must be recorded in the appropriate asset register or inventory.

### **Capital Receipts**

1. 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.
2. 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.
3. The CEx(NPO) will be responsible for the negotiations of all such sales in accordance with any delegated approval given by 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.
4. Capital receipts are defined in legislation and must be accounted for separately from revenue income, in accordance with Local Government Act 2003.
5. All capital receipts will be treated as corporate capital receipts unless specific approval is obtained from members for alternative treatment.

**Leasing: Property and other assets**

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.
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 Internal Control**

It is essential that robust, integrated systems are developed and maintained 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**

1. Members are responsible for approving the Authority's Risk Management Strategy and for reviewing the overall effectiveness of the strategy.
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.

### **C2 Internal Control**

1. 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 and interests are safeguarded and the best value duty is upheld.

#### **Systems of Internal Control**

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.
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 best value and their financial and non-financial performance targets.
3. 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.
4. The CFO, will prepare an annual statement of the effectiveness of the Authority's system of internal control. This statement will be published as part of the Annual Statement of Accounts and will be approved by Members.

### **C3 Retention of Records**

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.

### **C4 Investments and Treasury Management**

1. The Authority adopts the key recommendations of the CIPFA's Treasury management in Public Services Code of Practice: The Code. Accordingly, the Authority will create and maintain, as the cornerstone for effective treasury management.

- a. A treasury management policy statement, stating the policies, objectives, and approach to risk management of its treasury management activities.
  - b. Suitable treasury management practices (TMP), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
  - c. Prudential indicators as shown in the Prudential Code for Capital Management (limits for external borrowing, other long-term liabilities, and related matters).
- 2. The authority is required to approve certain maximum borrowing levels before the start of each financial year based on the recommendations of the CFO.
- 3. The Authority will receive reports on its treasury management activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close.
- 4. 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.
- 5. The members will be responsible for ensuring the effective scrutiny of the treasury management strategies and policies.
- 6. The CFO is empowered to make decisions regarding the premature repayment of debt, the acquisition of new debt and debt rescheduling within the borrowing limits set by members. All such decisions will be in line with the TMP. A full analysis of the budgetary implications of the debt rescheduling will be undertaken before any decision is reached. This analysis will include an assessment of all risk factors affect the current and future costs implications of the debt rescheduling.
- 7. All of the following shall be made in the name of the Authority or in the name of nominees approved by members.
  - a. Investments
  - b. Securities
  - c. Title deeds to all property
  - d. Borrowings
  - e. Stocks, bonds, and mortgages
  - f. Funds held in trust.
- 8. 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 Security of Authority Property**

- 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.

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

## **C6 Sale of Assets**

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 £20,000. For items above £20,000 prior approval must be obtained from Members.
2. All disposals of assets and surplus items (excluding land and buildings) must be undertaken in accordance with the Authority's Disposals Procedures.
3. All disposals relating to land and buildings (including leases) shall be approved by Members via public auction or by tender after public advertisement.
4. 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.

## **C7 Stocks and Stores**

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



- b. 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.
- c. Where required, Officers must prepare stock sheets, showing at 31 March (as near as) 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 store's accounts, together with any surpluses or deficiencies.
- d. 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.
- e. 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.
- f. 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.
- g. 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.

## **C8 Inventories**

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 C7.1e
  - 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 hand 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.

## **C9 Insurance**

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.
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.
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.
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.
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.

## **C10 Ex Gratia Payments**

1. Ex-gratia payments are made in situations where no legal obligation exists.
2. 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.
3. 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.

## **C11 Gifts and Hospitality**

1. 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.

2. 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.
3. 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 its encouragement of cynicism about the motives of those who serve in local government.
4. 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.
5. 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.
  - 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).
6. 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.
7. 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:

a. 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.

b. 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 event.

8. 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.

## **C12 Voluntary Unofficial Funds**

1. 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.
2. 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.
3. 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.
4. 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.

## **C13 Fraud and Corruption**

1. It is considered that all Officers and members occupy a position in which they are expected to safeguard, or not act against, the financial interest of the Authority.

2. All Officers and Members are responsible for giving immediate notification to the Monitoring Officer or CFO where there are grounds to suggest or there is any suspicion of fraudulent activity, financial impropriety or irregularity concerning cash, stores, or other property of the Authority or held by the Authority.

#### **C14 Audit Requirements**

1. In accordance with delegated powers and the Accounts and Audit Regulations 2015 the CFO shall ensure that the Authority maintains effective arrangements for internal audit to evaluate the effectiveness of its risk management, control, and governance processes, taking into account public sector internal auditing standards and guidance.
2. The Authority is responsible for the appointment of their own external auditor under the provisions of the Local Audit and Accounting Act 2014. Any such appointment must be approved by members.
3. The Authority may, from time to time, be subject to audit, inspection, or investigation by external bodies such as HM Revenue and Customs who have statutory rights of access.

#### **C15 Staffing**

1. The CEx(NPO in consultation with the Authority's Chair is responsible for determining how officer support for the Members will be organised.
2. The CEx(NPO) and Leadership Team are responsible for the operation of the following controls over staffing:
  - a. A staffing strategy is in place that matches staffing requirements and budget allocations.
  - b. Appropriate methods are used to forecast staffing requirements and related costs.
  - c. Staffing establishments specified as full time equivalents are approved alongside the annual budget and the budget includes the costs for the staffing establishment at the grades designated.
  - d. For any subsequent increases in establishment levels, funding must exist and subject to the approval of the Leadership Team.
  - e. Procedures are in place to ensure that only authorised vacancies are advertised.
  - f. Monitoring of full-time equivalents against budget is undertaken on monthly basis.
  - g. The Authority's Recruitment and Selection Policy is followed at all stages of every recruitment process.
3. The payment of all salaries, wages, pensions, compensation and other emoluments to all employees or former employees shall be made in accordance with the Financial Procedures as issued by the CFO.
4. The Head of Organisational and Development is responsible for the correct payment of salaries, wages, compensation, and other emoluments to all employees of the Authority.
5. The CFO is responsible for the correct payment of pensions to ex-employees of the Authority.

## **C16 Guarantees**

1. Where there is a need for the issue of a guarantee which has potential financial or resource implications, this must be agreed with the CEx(NPO) and CFO.

## **D Income, Banking and Taxation**

### **D1 Income and Banking**

#### **Income**

1. Authorised spending officers are responsible for accurately identifying the sums due to the Authority.
2. 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.
3. New fees, charges and allowances must be reviewed by the CEx(NPO) or relevant Leadership Team Member, as appropriate, and agreed with the CFO and submitted to Authority for approval.

#### **Banking Arrangements**

1. 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.
2. 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.

#### **Government Procurement Cards**

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).
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.

### **D2 Taxation**

1. The CFO is responsible for advising officers of guidance issued by appropriate bodies and relevant legislation as it applies, on all matters relating to taxation of both revenue and capital items including the treatment of VAT and employee related taxation issues that affect the Authority and ensuring compliance with relevant legislation.
2. The CFO is responsible for maintaining the Authority's Vat records, making all VAT payments, receiving VAT credits, and submitting VAT returns by their due date as appropriate.

## **E Collaborative and Agency Arrangements, External Funding and Service Changes.**

The Authority has a distinctive leadership role for the community, bringing together contributions from various stakeholders, optimising funding opportunities and achieving best value whilst minimising risk. This may involve the establishment of collaboration arrangements (formal or informal partnerships), joint ventures, joint operational models (such as pooled budgets) or providing agency service. It is essential that the responsibilities, obligations and commitment attached to such arrangements are properly assessed and understood prior to any commitments being made and then managed and accounted for appropriately.

### **E1 Collaborative Arrangements, Joint Ventures and Joint Operational Models**

1. The CFO must be consulted on the financial and probity implications of all proposed arrangements before any such agreements are finalised. Final arrangements must be approved by the CFO.
2. Formal joint ventures will be subject to members approval. All proposals for formal joint ventures must be assessed through robust options analysis and appraisal with the preferred option being recommended by the CFO to Authority for approval. Approval must be gained in advance of the signing of any agreements or formal commitment of the Authority.

### **E2 External Funding**

1. Any proposal for the Authority to be the Accountable and/or Lead body must be approved by the CFO.
2. 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.) This covers all funding which is competitively bid and/or where funding bodies are extending current funding proposals or allocating new funds. Particular care should be taken to ensure that funding conditions are fully compatible with the aims and objectives of the Authority.

### **E3 Work for Third Parties (Agency Arrangements)**

1. 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.



2. The CFO must be consulted on any proposed arrangements to ensure that proposals are costed properly before an agreement is reached. Formal contracts or a memorandum of understanding should be drawn up prior to any work commencing.

#### **E4 Alternative Commissioning/Delivery Models**

1. The officer must seek approval from the CEx(NPO) in consultation with the CFO on financial probity implications of proposals which change the mode of delivery for a service or significant part thereof.
2. All options considered should be fully costed and appraised to lead to the selection of a business case based on the preferred option. Consideration must be given to the financial impact of the transfer of pension rights and liabilities arising as a result of any insourcing or outsourcing proposals.
3. The business case must then be approved by the Authority.

## **F Specific Projects.**

### **F1 Dartmoor Land Use Management Group**

1. The Dartmoor Land Use Management Group (DLUMG) is a Government initiative with dedicated ring-fenced funding from Defra to fund projects and activities that comply with the Group's Terms of Reference and help deliver the Government's response to the Independent Review of Protected Site Management on Dartmoor.
2. The National Park Authority is acting as the 'banker' or 'financial agent' for the DLUMG. The grant that the Authority receives for the DLUMG is ring-fenced for that use. The Authority has no discretion over how the funds are used. Decisions on spend rest with the DLUMG and, in particular, the Chair.
3. The Group will be expected to follow the Authority's procurement processes and Standing Orders.
4. For the purposes of the DLUMG, the Authority gives the Chief Executive (National Park Officer) and Section 151 Officer delegated authority to authorise expenditure up to the value of £250,000 for a single grant, agreement or contract. This delegated authority is to be used jointly (i.e. both officers need to sign off the expenditure). In the absence of one of the authorised officers another member of the Authority's Leadership Team may be authorised to delegate. This must be in writing from the Chief Executive (National Park Officer).
5. Officers of the Authority must ensure that the DLUMG has operated correctly, and within the approved terms of reference, when determining requests for grants, funding agreements, contracts etc.
6. The Chair of the Land Use Management Group must carry out sufficient checks to satisfy themselves that any organisation or business to be grant-aided will be financially viable for the duration of the appropriate project or activity, that they are not in receipt of or applying for any other funding for the proposed activities (i.e. double funding). This assurance is to be provided to the Chief Executive (National Park Officer) and Section 151 Officer. A signed grant agreement and/or terms and conditions for payment must be received before any payment is made.
7. If the Authority is to be a beneficiary of funding from the DLUMG then the expenditure should be approved by another member of the Leadership Team deputising for the Chief Executive (National Park Officer). This is to minimise the risk of conflict of interest due to the fact that the Chief Executive (National Park Officer) sits on the DLUMG.
8. The general administration of the DLUMG will be overseen by the Group's secretariat who will report to the Chair of the DLUMG. The Authority will maintain a record of income and expenditure for the DLUMG. Such information is open to public inspection.
9. The DLUMG will report progress, via its Chair to the Minister of State for Food Security and Farming. These reports will include financial monitoring.

## Glossary of Terms

Term	Description
The Authority	The statutory organisation that is known as Dartmoor National Park Authority and the strategic decision-making body which consists of the appointed members.
Best Value	The consideration of overall value, including economic, environmental, and social value of any project or planned expenditure.
Capital expenditure	<p>Capital expenditure includes the following:</p> <ol style="list-style-type: none"><li>1. The acquisition of land, buildings, furniture, equipment, plant, and vehicles.</li><li>2. The construction of new buildings or improvements to existing buildings.</li><li>3. Internal or external professional fee costs on the above.</li><li>4. Grants and advances for capital purpose.</li></ol> <p>Other expenditure may be brought within the definition of capital expenditure by Central Government Regulations.</p>
Capital receipt	The sale of land, buildings and vehicles are capital receipts. Particular rules must be observed in dealing with proceeds.
Value for Money	The optimal use of resources to achieve the intended outcomes. This does not mean the cheapest price.
Virement	Movements of budget provisions between budget headings.