

DARTMOOR NATIONAL PARK AUTHORITY

10 April 2015

GOVERNANCE CHANGESReport of the Head of Legal & Democratic Services

Recommendation: **That Members agree changes to Financial Regulations, Procurement Procedures, Anti-Fraud & Corruption policy and Confidential Reporting policy as set out in the report, to take effect from end of the meeting.**

1 Staffing & structure review

- 1.1 In March 2015 Members approved the deletion of the posts of Director of Communications & Business Support and Director of Planning from the establishment (report NPA/15/009).
- 1.2 The Authority's core governance documents - Standing Orders, the Scheme of Delegation, Financial Regulations and Procurement Procedures – were all written at a time that three Directors were in post. The reduction in the number of Directors and new broader structure of Leadership Team means that it is essential to review the Authority's core governance documents to ensure appropriate levels of delegation, clear accountability, business continuity and resilience.
- 1.3 Members have already approved a different model of delegation in which all powers and duties are delegated to the Chief Executive (National Park Officer) with discretion for the postholder to further delegate responsibilities in writing to authorised officers as appropriate.
- 1.4 Members have also approved a number of changes to keep Standing Orders and the Scheme of Delegation in line with the new staffing structure. (report NPA/15/009)
- 1.5 This report brings recommendations for revisions to several further core governance documents:
 - Financial Regulations;
 - Procurement Procedures;
 - Anti-Fraud & Corruption policy ;
 - Confidential Reporting (Whistleblowing) policy.

2 Financial Regulations

- 2.1 Financial Regulations were last revised in May 2014 to take account of the retirement in March 2014 of the former Director of Communications & Business Support. Further amendments are now necessary to:

- Recognise that the post of Director of Planning has been deleted and a new post of Head of Planning introduced;
- Clarify the responsibilities of members of Leadership Team and other managers in respect of responsibilities which were formerly assigned to Directors alone (eg to ensure financial procedures are followed by staff reporting to them);
- Define the individual responsibilities of the s151 Officer, Monitoring Officer & Head of Business Support (former Head of Resources) in matters of financial control and probity;
- Confirm and re-state financial limits and thresholds.

2.2 The opportunity has also been taken to introduce a new definition into Financial Regulations of an “officer” of the Authority. This has been done to recognise that some work involving procurement, contracts and financial dealings is now done by or on behalf of the Authority through Service Level Agreements, secondment arrangements, partnerships and use of volunteers.

2.3 The new definition is deliberately wide and is intended to apply the requirements of Financial Regulations broadly:

For the purposes of these Financial Regulations, “Officer” means any person (other than a Member of the Authority) 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.

2.4 The first part of the proposed revised Financial Regulations is set out at Appendix 1 for Members information and the full text is available on request.

3 Procurement Procedures

3.1 These Procedures were last reviewed by Members in May 2014. No change is proposed to the financial thresholds or scope of delegated decision-making and responsibility. The minimum required number of quotations or tenders for a given estimated contract value remains (net of VAT):

- Above £1,000 and up to £2,500 - **two verbal quotations**
- Above £2,500 and up to £10,000 - **three written quotations**
- Above £10,000 and up to £30,000 - **three formal quotations** to be submitted in writing by a specified date and time AND based on a written specification and evaluation/award criteria;
- Above £30,000 and up to EU thresholds - **Tenders must be invited.**

3.2 Only the Authority, the Chief Executive (NPO) or the Director of Conservation & Communities will have discretion to determine that the requirements of Procurement Procedures shall not apply if, in their opinion:

- (i) The work, goods, services or materials are **urgently required** and loss would be entailed by delay in advertising; **or**
- (ii) The work, goods, services or materials are of such a **special nature** that no advantage would accrue by inviting competitive tenders; **or**

- (iii) There is **no effective competition** for the goods, services, or materials required;
or
- (iv) The Authority is obliged, by virtue of a statutory requirement, or within terms of an adopted partnership arrangement to seek provision through such **statutory or other partnership arrangement**.

3.3 The majority of changes are minor amendments to job titles, to reflect the new staffing structure. A full copy of the revised Procurement Procedures is available on request.

4. Other Policies / Protocols

4.1 The Authority's "Anti Fraud & Corruption Policy" was introduced in 2008 and revised in 2012. The policy sets out the Authority's commitment to protect the public funds it administers against fraud and corruption, and actively:

- promote high standards of honesty and integrity;
- encourage prevention of fraud and corruption;
- maintain strong systems of internal control;
- promote detection;
- pursue a zero-tolerance policy;
- seek to recover any losses incurred by the Authority.

4.2 The approach set out within the policy remains as before:

5.2 All Members and employees are responsible for giving immediate notification to the Monitoring Officer (or Deputy) 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. The same applies to any suspected corruption or irregularity in the exercise of the functions of the Authority.

5.3 Upon receiving a report of a suspected irregularity, the Monitoring Officer (or Deputy) will inform the Chief Finance Officer. The Monitoring Officer (or Deputy) will meet the person who has reported the matter to establish the basis of their concern.

5.4 After establishing the basis of concern, the Monitoring Officer (or Deputy) will agree with the Chief Finance Officer how to address the allegation(s) and who should act as investigating officer. It may be determined to:

- *commence an internal investigation; and/or*
- *involve Internal Audit; and/or*
- *commence a disciplinary investigation (employee); and/or*
- *refer the matter to the Standards Committee (Member).*

5.5 Any investigation will be carried out in accordance with the principles of natural justice, and with due regard to the rights of all individuals involved. All reasonable steps will be taken to ensure that an investigation is concluded as quickly as possible.

4.3 The only changes are minor amendments to job titles, to reflect the new staffing structure. A copy of the full text of the proposed revised Policy is available on request.

4.4 The Authority's Confidential Reporting Policy was introduced to give effect to rights and safeguards in the Public Interest Disclosure Act 1998 and aims to:

- provide avenues for employees, Members and volunteers to raise concerns and receive feedback on any action taken;
- allow employees, Members and volunteers to take the matter further if dissatisfied with the response;
- reassure employees, Members and volunteers that they will be protected from reprisals or victimisation when reporting concerns in good faith.

4.5 There are no proposed changes to the policy text, other than to reflect staffing changes. The nominated persons to whom concerns should be reported will remain:

- The Monitoring Officer - Christopher Walledge, Head of Legal & Democratic Services
- The Section 151 Officer – Mary Davis, County Treasurer (Devon County Council)

With confidential advice available from these persons together with:

- The Chief Executive (National Park Officer) - Kevin Bishop
- The Head of Business Support - Donna Healy
- A trade union representative

4.6 A copy of the full text of the proposed revised Policy is available on request.

5 Equality and Impact Assessment

5.1 It is not believed that the proposed changes will have any relevant impact.

6 Financial Implications

6.1 The revised governance documents will not have any financial implications.

CHRISTOPHER WALLEDGE

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
- the Head of Business Support
- 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 (not being a Member of the Authority) 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 Head of Business Support is responsible with the Monitoring Officer for maintaining a continuous review of Financial Regulations 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 Members 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 power from the Authority, the committee will agree the District 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) (CEx(NPO)) as Head of Paid Service is responsible for the corporate and overall strategic management of the Authority as a whole. The CEx(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 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 all 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 Chief Financial Officer are also responsible for advising the Authority if a decision could be considered 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 CEx(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 CEx (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 Chief Financial Officer must be consulted on any financial and other resource implications before a decision is made.

A3.4 The CFO delegates the day to day financial administration of the Authority's financial affairs to the Head of Business Support, who represents the interests of the CFO within the Authority. The Head of Business Support has, in consultation with the CFO, responsibility for the provision of financial services to the Authority. The CFO is consulted with via regular scheduled meetings and must be given a proper opportunity to provide written comments in any matter with financial implications.

The responsibilities exercised by the Head of Business Support on behalf of the CFO 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 Head of Business Support will refer to the matter to the CFO immediately for investigation and reporting purposes. 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 via the Head of Business Support
- 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 with the CFO, via the Head of Business Support and seeking approval on any matter that could materially affect the Authority's financial position before any commitments are incurred.

A4 Accounting Arrangements

A4.1 The Head of Business Support 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 / Head of Business Support

A4.4 The CFO / Head of Business Support 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 / Head of Business Support 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 / Head of Business Support 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 Authority is responsible for approving the annual Revenue and Capital Outturn 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.

DARTMOOR NATIONAL PARK PLANNING AUTHORITY

10 April 2015

**TREE PRESERVATION ORDERS AND SECTION 211 NOTIFICATIONS
(WORKS TO TREES IN CONSERVATION AREAS)
DETERMINED UNDER DELEGATED POWERS**Report of the Trees and Landscape OfficerRecommendation : **That the decisions be noted.****TREE PRESERVATION ORDERS****West Devon****Ref: 15/0001 Bonnaford, North Brentor SX 4816 8151**

Application to coppice ten alder trees. The trees are suppressed and are starting to collapse. Consent was granted subject to the following conditions:

1. Five working days, notice to be given to the Authority prior to the commencement of approved works.
2. All works to be carried out in accordance with British Standard 3998:2010 Tree Work – Recommendations.

Ref: 15/0002 Heatherlands, Lydford SX 6503 8532

Application to remove a split branch and crown reduce an ash tree by 15%. The works are necessary to make the trees safe. Consent was granted subject to the following conditions:

1. Five working days, notice to be given to the Authority prior to the commencement of approved works.
2. All works to be carried out in accordance with British Standard 3998:2010 Tree Work – Recommendations.

SECTION 211 NOTICES**Teignbridge****Ref: 14/0052 Manaton Village Green SX 7496 8125**

Notification to fell a young lime, pollard a lime, reduce an oak tree and crown lift eleven lime trees. The works will have minimal impact on the character of the Conservation Area.

A Tree Preservation Order has not been made.

Ref: 14/0053

Greenaway Lodge, Ashburton

SX 7563 6775

Notification to fell a Lawson cypress. The works will have minimal impact on the character of the Conservation Area.

A Tree Preservation Order has not been made.

Ref: 15/0003

Greenhill House, Moreton

SX 7545 8609

Notification to reduce a holm oak. The works will have minimal impact on the character of the Conservation Area.

A Tree Preservation Order has not been made.

West Devon

Ref: 14/0054

Standard Court, Mary Tavy

SX 7496 8125

Notification to fell a crab apple. The tree is growing out of a bank, it is poorly formed and is in poor condition.

A Tree Preservation Order has not been made.

BRIAN BEASLEY