

NEW FOREST NATIONAL PARK AUTHORITY

AUTHORITY MEETING - 25 JUNE 2009

REVIEW OF FINANCIAL REGULATIONS AND STANDING ORDERS AS TO CONTRACTS

Report by: Paul Carey-Kent, Chief Finance Officer

Summary:

The purpose of this report is to seek approval to proposed amendments to the Authority's Financial Regulations and Standing Orders as to Contracts, to bring the documents up to date and more fit for purpose. Resources and Performance Committee has approved the revised documents for the Authority's consideration.

Recommendation:

To approve the proposed changes to the Financial Regulations and Standing Orders as to Contracts, to take effect from 1 July 2009

Papers:

NFNPA 307/09:	Cover paper
NFNPA 307/09 Annex 1:	Draft New Forest National Park Authority Financial Regulations 2009
NFNPA 307/09 Annex 2:	Draft New Forest National Park Authority Standing Orders as to Contracts 2009

Contact:

Paul Carey-Kent, Chief Finance Officer
Tel: 01962 847525
Email: paul.carey-kent@hants.gov.uk

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1 Purpose

1.1 This report makes proposals to amend the Authority's Financial Regulations and Standing Orders as to Contracts. The purpose of updating these documents is to make them more practical and fit for purpose, whilst retaining the essential features of sound financial management and control. The proposed revised Financial Regulations and Standing Orders are attached as **Annexes 1 and 2** respectively to this report.

2 Reasons for change

2.1 The Financial Regulations and Standing Orders were adopted when the Authority became operational in 2006. It is in any case good practice to review such documents periodically, to ensure that they remain practical and serve the Authority's needs. It is particularly appropriate to undertake this review as the policies and practices contained in the documents have now been in operation for three years, giving adequate experience to inform the review. The proposed changes have been considered and endorsed by Management Board and Resources and Performance Committee.

2.2 There are several reasons for the proposed changes, the most significant of which are summarised below. In considering each of these factors, account has been taken of the need for appropriate financial controls to be maintained :

- i) to review financial thresholds in line with price changes (Standing Orders and Financial Regulations)
- ii) to have as few financial thresholds (e.g. determining the value at which tenders rather than quotations should be sought) as possible, thus making them as simple to interpret and implement as possible (Standing Orders and Financial Regulations)

- iii) to reflect the respective roles of the Chief Executive and the Chief Finance Officer as these have evolved, in particular recognising the Chief Executive's overall responsibility for the management of the Authority (Financial Regulations)
- iv) to enhance the budgetary flexibility available to managers (as indicated for example by virement rules) whilst ensuring that overall tight financial management continues to be exercised (Financial Regulations)
- v) to reflect two changes to the Authority's financial policies and practices, agreed as part of the Financial Strategy 2009/10 - 2011/12 (Financial Regulations) :
 - the establishment of the Programme Fund as the mechanism for managing project expenditure
 - the new arrangements for the carry forward of planned underspends identified in the course of the financial year.

3. Recommendation:

To approve the proposed changes to the Financial Regulations and Standing Orders as to Contracts, to take effect from 1 July 2009