



NEW FOREST NATIONAL PARK AUTHORITY

FINANCIAL REGULATIONS 2009

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NEW FOREST NATIONAL PARK AUTHORITY

FINANCIAL REGULATIONS - 2009

1 General matters of financial administration

- 1.1 Financial Regulations provide the framework for managing the National Park Authority's financial affairs and apply to the members and officers of the Authority and anyone acting on its behalf.
- 1.2 The National Park Authority is responsible for approving the overall financial strategy and for monitoring compliance with the Authority's overall framework for accountability and control. Committees may act within the powers delegated to them by the Authority and within these Regulations.
- 1.3 The Chief Finance Officer, as the Section 151 Officer may set aside these Regulations if considered necessary; any decision to suspend Financial Regulations will be reported to the full Authority.
- 1.4 Where the National Park Authority performs works or services under an agency agreement with another authority or body, the financial regulations of the principal authority shall take precedence over these regulations, unless otherwise agreed.
- 1.5 These Regulations shall be read in conjunction with Standing Orders as to Contracts.
- 1.6 Except for Regulations 2.1 and 3.1, the Chief Finance Officer may nominate an officer to exercise any power or duty conferred by these by regulations. This would normally be to the Deputy Chief Finance Officer or the Chief Executive. A record will be maintained of any other nomination. Where these Regulations give a Director power to authorise an officer to exercise a power or duty, the Director will maintain a register of all authorisations and the job titles of the officers who are so authorised.
- 1.7 Reports under these Regulations shall be in writing.

2 Accounting procedures and responsible Financial Officer

- 2.1 The Chief Finance Officer is responsible for the proper administration and stewardship of the National Park Authority's financial affairs for the purpose of:
 - i) Section 151 of the Local Government Act 1972
 - ii) The Local Government Finance Act 1988
 - iii) The Local Government and Housing Act 1989
 - iv) The Account and Audit Regulations 1996 and 2003.

He/she is directed by the Authority and is authorised to determine the financial standards, procedures and systems required.

2.2 Under Section 114 of the Local Government Act 1988, the Chief Finance Officer will report to each member of the Authority and to the external auditors, if the National Park Authority, Committee or an officer:

- i) has made, or is about to make, a decision which involves or would involve the Authority incurring unlawful expenditure, or,
- ii) has taken, or is about to take, a course of action which if pursued to its conclusion would be unlawful and likely to cause a loss to the Authority; or,
- iii) is about to enter an item of account unlawfully.

2.3 The Chief Executive and Directors shall ensure proper financial control of the parts of the budget for which they are responsible. They are authorised to commit revenue and capital expenditure:

- i) that is authorised through the Authority's approved revenue and capital budgets, or
- ii) through virement or tolerances permitted by section 4 of these Regulations.

2.4 The Chief Executive and Directors may authorise other officers to exercise financial authority, but such authorisation will not reduce the overall responsibility of the Chief Executive and Directors.

2.5 Before any decision is taken on any new proposals which require an increase in the Authority's net budget, the Authority or Committee must consider a report which clearly identifies the cost and benefits of such proposals.

2.6 Where expenditure is urgently required but not covered by the appropriate budget, the Chief Executive, after consultation with the Chief Financial Officer, may authorise approval. The action taken must be reported to the next meeting of the Authority.

3 Audit arrangements and risk management

3.1 The Chief Finance Officer is the Responsible Financial Officer responsible for maintaining an adequate and effective internal audit of the National Park Authority's accounting records and control systems, in accordance with relevant legislation.

3.2 In carrying out these duties the Chief Finance Officer and his/her authorised representatives may:

- i) access Authority premises or land at any reasonable time, subject to any statutory requirements;
 - ii) have access to all assets, records, documents, correspondence and control systems concerning any past or prospective transactions;
 - iii) require and receive any information and explanations considered necessary concerning any matter under examination;
 - iv) require any employee to produce any property of the Authority under that employee's control;
 - v) access records belonging to third parties, such as contractors, when required.
- 3.3 The Chief Finance Officer will also ensure that any fraud or irregularity is investigated promptly.
- 3.4 All Directors, officers and members have a duty to report immediately to the Chief Finance Officer or his/her authorised representative, suspected fraud, theft, irregularity or improper use of the Authority's property or resources. The Chief Finance Officer will decide on the necessary action to be taken.

4 Security of assets

- 4.1 The Chief Executive will ensure an up to date register of land and buildings owned by and leased to the Authority is maintained and assets are properly and regularly valued in accordance with current professional Codes of Practice. The register will record the purpose for which the assets are held and used, purchase and location details, relevant legal agreements and interests, and condition of the properties.
- 4.2 The Chief Executive will ensure inventories are maintained of all items of movable furniture, equipment, vehicles, plant, and information technology infrastructure, and will require an annual check of inventories to be carried out.
- 4.3 The Chief Executive will ensure safe custody of the title deeds of property owned by or mortgaged to, the Authority.
- 4.4 The Chief Executive will ensure adequate procedures are available to safeguard the Authority's assets and information, including the requirements of software copyright legislation, IT security and the Data Protection and Freedom of Information Acts.
- 4.5 Directors are responsible for ensuring proper security of all buildings and other assets, including stocks and stores, under their control, and must notify the Chief Finance Officer immediately of any deficiency or

damage to stocks or assets under their control, where the cost of the damage or deficiency is estimated to be more than £5,000.

- 4.6 The Chief Executive, after consulting the Chief Finance Officer, will determine procedures for disposing of assets and treatment of losses or write off disposal of redundant stock and equipment, where the cost is estimated to be more than £5,000.

5 Banking arrangements and treasury management

- 5.1 The Chief Finance Officer is authorised to make all arrangements for banking services and to determine banking procedures and is also authorised to borrow and lend monies and arrange for temporary investment of funds, in accordance with the authorised limits within the current Treasury Management Strategy and Policies, approved by the Authority each year.
- 5.2 The Chief Finance Officer will ensure that the Authority's borrowing and investments comply with current appropriate professional codes of practice on treasury management and will present each year to the Authority for approval, a strategy for treasury management.
- 5.3 All Bank accounts and investments shall be in the name of the New Forest National Park Authority.
- 5.4 The Chief Finance Officer will act as the registrar of loan instruments and ensure the safe custody of all documentation and certificates relating to mortgages, securities, stocks, bonds and other investments held by the National Park Authority.
- 5.5 All officers who act as trustees of trust funds in their official capacity, must provide the Chief Finance Officer all title deeds concerning the trust.

6 Budgets and financial control

- 6.1 The National Park Authority will ensure the overall financial strategy and spending priorities are considered in the preparation of detailed estimates of both income and expenditure for all services, and that these budgets are approved by the Authority prior to the commencement of each financial year.
- 6.2 The Chief Finance Officer, in consultation with the Chief Executive will determine:
- i) the format, timetable and procedures for the preparation of budgets and for providing financial information to enable budgets to be monitored effectively by officers and members;
 - ii) the financing arrangements for all approved capital and revenue expenditure.

- 6.3 The Chief Finance Officer will agree with the National Park Authority the level of reserves set aside to meet future planned or unplanned expenditure as part of the overall financial strategy.
- 6.4 Expenditure from a budget may only be committed for the purpose for which it was approved (unless a virement has been approved in accordance with these Regulations) and there is no authority to spend in excess of an approved budget other than as set out in 2.6.
- 6.5 Income of more than £5,000 received in excess of budget, whether capital or revenue in nature, may not be used to incur, offset or meet additional expenditure, unless expressly approved by the Chief Executive and the Resources and Performance Committee.
- 6.6 To ensure the proper financial effects can be assessed, the Chief Finance Officer must be informed in advance of any proposals, with a value of more than £5,000, to dispose of any land or assets by sale or transfer prior to the transaction being made.

Revenue and Capital Expenditure – Virement

- 6.7 Budget provision may be vired (transferred from one revenue or capital budget to another) within the following tolerances and processes delegated by the Chief Finance Officer:
- i) **Sums up to £5,000 vired within the same budget:** may be authorised by the budget responsible officer;
 - ii) **Sums up to £5,000 vired between individual budgets:** require authorisation by both budget responsible officers;
 - iii) **Sums between £5,000 and £25,000,** within or between budgets,,: may be authorised by the relevant Director(s);
 - iv) **Sums between £25,000 and £50,000:** may be authorised by the Chief Executive, in consultation with the Chief Finance Officer;
 - v) **Sums over £50,000:** require authorisation by the Resources and Performance Committee.
- 6.8 Virement must not increase net expenditure or commit the Authority to expenditure in future years; for more than one request for virement from or to the same budget in the same financial year, sums must be aggregated to decide which of the regulations in paragraph 6.7 applies.
- 6.9 Virement between capital and revenue budgets requires the specific approval of Resources and Performance Committee.

Supplementary Budget Provision

- 6.10 In exceptional circumstances, additional budget provision may be requested during a financial year as follows:
- i) Sums below £50,000 require authorisation by the Chief Executive in consultation with the Chief Finance Officer.
 - ii) Sums exceeding £50,000: require approval of the Resources and Performance Committee.
- 6.11 Proposals to use additional income in excess of £25,000 will require the approval of the Resources and Performance Committee.

Budgetary control

- 6.12 The Chief Finance Officer will ensure the Senior Management Team and members of the Authority receive regular reports on the overall financial performance and forecast net expenditure for the current financial year.
- 6.13 Budget Responsible Officers will provide data and supporting information for all budgetary control reports and identify at the earliest opportunity, potential savings, expenditure for which there is budgetary provision, and proposals for sources of finance to offset such expenditure.
- 6.14 Subject to the Authority's overall budget position, any underspends identified for specific reasons by Directors as part of the end of December budget monitoring process will be carried forward into the relevant budgets for the following year at 100%. Any underspends arising thereafter will be allocated in the first instance to the General Reserve, with an expectation that no more than 50% will be allocated to the relevant budgets for the following year.
- 6.15 Provisions and earmarked reserves may only be used for the purpose for which they were originally approved.

Income

- 6.16 The Chief Finance Officer will approve arrangements for the collection of income due to the Authority and must be notified promptly – typically as part of the budget monitoring process - of:
- i) all money due to the Authority;
 - ii) contracts, leases and other agreements entered into which involve the Authority receiving money.
- 6.17 Any agreement which allows the extension of credit payment facilities must be agreed in advance by the Chief Finance Officer.

- 6.18 All money received must be banked intact following the procedures issued by the Chief Finance Officer; personal cheques may not be cashed from money held on the Authority's behalf. Official receipts must be issued for all cash received.
- 6.19 The Chief Finance Officer will be authorised to write off uncollectible or cancelled debts up to £5,000. Sums in excess of that amount require the approval of Resources and Performance Committee
- 6.20 As part of the annual financial strategy, all those fees and charges for services which are at the discretion of the Authority will be reviewed.

Payment for goods and services

- 6.21 The Chief Finance Officer will approve arrangements for the ordering and payment of goods and services on behalf of the Authority.
- 6.22 Official orders must be issued for all goods and services required by the Authority, except for:
- i) Public utilities
 - ii) purchases from petty cash imprest
 - iii) purchases made through corporate credit cards
 - iv) works or services provided under formal contract

In exceptional circumstances, it may be necessary to enter into a commitment for goods or services orally. In such cases, an official order should be issued within 48 hours.

Remuneration of employees

- 6.23 The Chief Finance Officer will approve arrangements for the remuneration of employees, and will be responsible for ensuring payment of emoluments and claims for compensation or reimbursement of expenses to existing and former employees.
- 6.24 Directors will ensure that all appointments are made in accordance with the policies of the Authority and approved establishments, grades and pay scales, and that adequate budget provision is available.

7 Insurance

- 7.1 The Chief Finance Officer will arrange insurance cover to meet the Authority's requirements, and will be responsible for registering claims.
- 7.2 The Chief Finance Officer will be notified immediately of:
- i) all new risks and liabilities which may need to be insured

- ii) any changes which may affect existing insurances
- iii) anything which may lead to a claim against the Authority
- iv) any interest in property granted by or to the Authority which may involve a transfer of insurance cover
- v) the terms of any indemnity the Authority is requested to give.

7.3 Contractors or agents acting for the Authority must have insurance arrangements which adequately indemnify the Authority against any third party claim.

8. Programme Fund

8.1 The Authority will maintain a Programme Fund from which project spending will be financed.

8.2 The Chief Finance Officer will ensure that :

- i) contributions to and from the Fund are approved by the Authority, generally as part of the budget process
- ii) allocations from the Fund to finance particular projects are approved as part of the budget strategy and the annual budget process
- iii) the Chief Executive approves the inclusion of individual schemes within those allocations
- iv) all budgetary control reports to Resources and Performance Committee include a progress report on projects as a whole including separate figures for projects exceeding £5,000 and specific progress reports on any with a value exceeding £25,000
- v) other projects are included in budgetary control reports in the appropriate year
- vi) the overall position is reported to Resources and Performance Committee as part of the budget monitoring process.