

PEAK DISTRICT NATIONAL PARK AUTHORITY

STANDING ORDERS

PART 3

FINANCIAL REGULATIONS

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FINANCIAL REGULATIONS

A. GENERAL

- A1. The Chief Finance Officer shall be the responsible officer for the proper administration of the financial affairs of the Authority in accordance with Section 151 of the Local Government Act 1972 and all accounting procedures, systems and records of the Authority and its officers shall be determined by the Chief Finance Officer.
- A2. The Chief Finance Officer is the responsible officer under Section 114 of the Local Government Finance Act 1988 for reporting to the Authority if the Authority:
- (a) has made or is about to make a decision which involves or would involve the Authority in incurring expenditure which is unlawful;
 - (b) 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 or deficiency on the part of the Authority; or
 - (c) is about to enter an item of account the entry of which is unlawful.

In addition, the Chief Finance Officer is under a duty to report to the Authority if it appears to him/her that the expenditure of the Authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

In preparing such a report the Chief Finance Officer shall, so far as practicable, consult the Chief Executive and the Director of Corporate Resources.

- A3. No item having financial consequences shall be placed on a committee agenda without obtaining the Chief Finance Officer's financial assessment.
- A4. The Chief Finance Officer will support these financial regulations by the issue of more detailed instructions to the Chief Executive from time to time.
- A5. The Chief Executive shall be responsible for ensuring that all standing orders, financial regulations, and any other financial instructions the Chief Finance Officer may issue from time to time, are complied with by all employees of the Authority.
- A6. The Chief Finance Officer shall report any serious breach of Financial Regulations to the Audit Resources and Performance Committee.

B. INCOME

- B1. Deleted (Authority 5/10/2012)
- B2. The Chief Finance Officer shall have discretion to write off bad debts up to a limit of £10,000 in each case. Larger sums will be referred to the Audit Resources and Performance Committee.
- B3. No sale of goods or services on credit beyond the normal invoice period shall be made without prior consultation with the Head of Finance.
- B4. No new proposal which generates income to the Authority should be implemented without clearance from the Head of Finance as to any VAT implications.

C. EXPENDITURE AND ORDERS FOR WORK, GOODS AND SERVICES

- C1. The ordering of goods and services and the procedure for payment of accounts, shall be in accordance with financial procedures as laid down in the Authority's Financial Procedures and advice given by the Chief Finance Officer from time to time.
- C2. Official orders shall be issued for all work, goods and services except for such items as recurring charges, periodic payments, petty cash purchases and any other exception approved by the Chief Finance Officer.
- C3. **An Assistant Director, Head of Service or Planning Team Manager** may authorise the placing of orders for routine consumable expenditure up to the amounts provided in the detailed annual budget, provided that such orders conform to standing orders, financial procedures and these regulations. Expenditure, either in the form of an individual item or combination of items which form a scheme or project, within the agreed policies and programmes:
- (a) Over the value of £30,000 must be the subject of a business case **consulted agreed** with the **relevant** Director or **Assistant Director the Chief Executive for Chief Executive's Unit** and the Chief Finance Officer.
 - (b) Over the value of £50,000 must be the subject of a business case consulted with the Resource Management Team
 - (c) All other expenditure over £150,000 requires the authority of the relevant committee.
- C4. Official orders shall be in a form approved by the Chief Finance Officer and be signed personally by the Chief Executive or by officers authorised by him/her in accordance with the Schedule of Delegated Authorities. Responsibility for orders lies with the Chief Executive.
- C5. The Chief Finance Officer has a duty under law to make payments, whether or not provision has been made in the budget, in the following cases:
- (a) Payments specifically required by statute.
 - (b) Payments under a Court Order.
 - (c) Payments under a contract properly made by the Chief Executive or by the officer authorised by him.
- C6. No invoice shall be passed for payment until the Chief Executive, or his/her authorised delegatee, is satisfied that it is in accordance with the Authority's Regulations.
- C7. Official orders shall not be raised for any personal or private purchases, nor shall personal or private use be made of Authority contracts, unless agreed by the Chief Executive in conjunction with the Chief Finance Officer and Head of Human Resources & Performance as part of an employee scheme.

D. SALARIES, WAGES AND PENSIONS

- D1. The payment of salaries, wages or other emoluments and pensions shall be made only by the Chief Finance Officer, or under arrangements approved by him/her.
- D2. The Chief Executive shall arrange to notify the Chief Finance Officer, in any form the Chief Finance Officer may require, of all appointments, resignations, absences or any other changes which may affect the pay or pension of an employee or ex-employee.

E. CONTRACTS AND AGREEMENTS

- E1. All contracts shall be made in accordance with Standing Orders – Part 2 - relating to Contracts.
- E2. No officer shall authorise work to be undertaken or goods to be supplied which are required to be the subject of a formal contract or other legal agreement until a document in a form approved in accordance with Schedule 7 F-14 is completed and signed by the contractor. For Property matters Schedule 7 D-6 and 7 D-7 apply.
- E3. The Head of Finance shall be consulted on the arrangement of leasing agreements under which the Authority is the lessee. Disposal of leased assets which are not land and property are subject to the prior approval of the Chief Finance Officer; where leases relate to land and property approval should be obtained in accordance with Schedule 7 D-7. This regulation applies also to any other form of agreement intended to defer payment or provide for payment by instalments.

F. REVENUE BUDGETS

- F1. Annual revenue budgets shall be prepared jointly by the Chief Executive and the Chief Finance Officer in accordance with the directions of the Authority, after taking account of any guidance from Members in the process of agreeing priorities for resources.
- F2. The Chief Finance Officer and Chief Executive shall make a joint budget report to the Authority.
- F3. Transfers of funds – virements - from one budget head to another may be made by the Head of Finance at the request of the Chief Executive. Any transfer over £15,000 must have the approval of the Chief Finance Officer having agreed it with the Chair and Vice-Chair of the Audit Resources and Performance Committee.
- F4. It is the responsibility of the Chief Executive to ensure that budget heads are not over-spent. A significant variance from budget of either income or expenditure shall be reported by the Chief Executive, after consultation with the Chief Finance Officer, to the Audit Resources and Performance Committee as soon as possible during the year; or as part of the Outturn Report if such an overspend is not certain until the closedown process at year end. A significant variance for reporting purposes under this paragraph is defined as a £60,000 variance from the original expenditure or income budget, before any further financing or income is taken into account.
- F5. Any request for supplementary budgets shall be made to the Audit Resources and Performance Committee only after consultation with the Chief Finance Officer.
- F6. Deleted (Authority 5/10/2012)
- F7. Additional income may be used to finance additional expenditure where that income has been received as a grant/contribution towards that expenditure subject to complying with F4.
- F8. Deleted (Authority 5/10/2012)
- F9. Any other additional income above £15,000 may not be used to finance additional expenditure unless virement of the funds is agreed as per F3 above.

- F10. When a committee wishes to incur expenditure not included in the estimates, or to overspend any item, the committee may approve such expenditure up to a maximum of £10,000.

G. CAPITAL EXPENDITURE

(i.e. the acquisition or enhancement of fixed assets which will have a long term value to the Authority, e.g. land, purchasing existing buildings or erecting new ones, furniture and equipment, vehicles.)

- G1. Approval of the Audit Resources and Performance Committee is required before any commitment is made in respect of any capital project, the total cost of which exceeds £150,000.
- G2. Any capital expenditure is subject to Financial Regulation C3.
- G3. Any increase of more than 10% in the gross cost of a capital project authorised by committee as in paragraph G1 above shall be reported to the Audit Resources and Performance Committee, unless the increase is less than £60,000.

H. PRESENTATION OF ACCOUNTS

- H1. In accordance with the Accounts & Audit Regulations 2011, the Authority shall prepare a statement of accounts. The Chief Finance Officer shall be responsible for submitting the accounts of the Authority to the Authority Meeting or appropriate Committee.

I. INTERNAL AUDIT

- I1. In accordance with the Accounts & Audit Regulations 2011, the Authority is required to ensure its financial management is adequate and effective and that it has a sound system of internal control.
- I2. The Chief Finance Officer shall determine the Authority's accounting system and the form of the accounts and supporting accounting records, subject to any instructions given by the Authority providing these instructions comply with the Accounts and Audit regulations.
- I3. Internal Audit are authorised to appraise the adequacy of procedures employed by the Chief Executive to secure economy, efficiency and effectiveness in the use of resources.
- I4. The Head of Internal Audit or his/her authorised representative, shall have a right of access at all times to such records and documents, including computer data, of the Authority as appear to him/her to be necessary for the purposes of the audit and shall be entitled to require from any officer of the Authority such information and explanation as he/she thinks necessary for that purpose. The Head of Internal Audit shall provide relevant reports and advice to the officers concerned.
- I5. Cases of suspected fraud, misappropriation of money, materials or equipment, or any mismanagement of money or other assets, or any other irregularities, will be reported immediately to the Chief Finance Officer and the Monitoring Officer, who will take appropriate action in line with both the Authority's Anti-Fraud and Corruption Policy, and the Confidential Reporting Policy.
- I6. The Chief Finance Officer shall approve any new systems for the maintenance of financial records, or records of assets of the authority or any changes to such systems.

J. BANKING AND IMPREST ACCOUNTS

- J1. The Chief Finance Officer shall operate banking accounts in accordance with the banking agreement made by the Authority. Payment will be made out of the Authority's bank account by means of cheques bearing the Chief Executive's printed facsimile signature, by cheques or other authorisations bearing signatures authorised by the Chief Finance Officer, or by electronic transfer using systems and system procedures approved by the Chief Finance Officer.
- J2. The Chief Finance Officer is authorised to open banking accounts for accounting officers' Imprest accounts as and when required. No other employee may open a bank account on behalf of the Authority.
- J3. Imprest accounts shall be operated in accordance with the Chief Finance Officer's instructions. Imprest holders shall not allow Imprest accounts to become overdrawn, unless agreed by the Head of Finance.
- J4. All disbursements from the Imprest account shall be supported by adequate vouchers and records which shall be available for inspection at any time.

K. INVESTMENTS AND BORROWING

- K1 The Authority maintains a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and adopts suitable Treasury Management Practices, setting out the manner in which the organisation will manage and achieve those policies and objectives.
- K2 The Authority receives reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close.
- K3 The Authority delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Budget Monitoring Group, and for the execution and administration of treasury management decisions to its Chief Finance Officer, who will act in accordance with the organisation's policy statement and Treasury Management Practices, and CIPFA's Standard of Professional Practice on Treasury Management.
- K4 The Authority nominates its Audit Resources and Performance Committee to be responsible for ensuring effective scrutiny of the Treasury Management strategy and policies.
- K5 The Authority's borrowing limits will be approved annually at an Authority meeting based on the advice of the Chief Finance Officer.

L. STORES AND INVENTORIES

- L1. The Chief Executive shall be responsible for the safe custody of stores and inventory items, and the maintenance of records in accordance with advice issued from time to time by the Chief Finance Officer.
- L2. Significant stores discrepancies will be subject to internal audit scrutiny. The Head of Finance shall annually write-off and dispose of obsolete stores and equipment in consultation with the Chief Finance Officer using the discretion available under B2.

M. INSURANCES

- M1. The Chief Executive shall be responsible for effecting all necessary insurances.

- M2. The Chief Executive shall consult the Chief Finance Officer and the Director of Corporate Resources before giving any indemnity on behalf of the Authority.
- M3. Claims against the Authority by its employees where there is no legal liability may be settled by the Director of Corporate Resources to a limit of £1,000 in any case, in respect of damage to or loss of personal property occurring in the course of their duties subject to an assessment of the extent of any contributory negligence, the settlement to be on the following basis:
- (a) For repairs to clothing or other property - full cost.
 - (b) For replacement of clothing or other property (where repair was impracticable) - three quarters of reasonable replacement cost.

N. PROPERTY

- N1. It shall be the responsibility of the Chief Executive to maintain a property database, in a form approved by the Chief Finance Officer, for all properties currently owned or used by the Authority.
- N2. Where there is no contractual obligation, expenditure on property rented to the Authority above £10,000 shall be subject to the approval of the ~~Head of Property Assistant~~ **Director Land Management**.
- N3. Lessees and/or other prospective occupiers of Authority land shall not be allowed to take possession or enter the land until a lease or agreement, in a form approved in accordance with Schedule 7 F – 14 has been signed.
- N4. The Chief Executive is responsible for ensuring the proper security of all buildings and other assets under his/her control.
- N5. The Director of Corporate Resources shall have custody of all title deeds.
- N6. No Authority asset shall be subject to personal use by an employee unless approved by the Director of Corporate Resources.

O. SALES OF ASSETS

- O1. Sale of the Authority's assets should be at open market value, or at a valuation agreed by the District Valuer. Market value will usually be determined by auction or public notice and submission of quotations using the tender process in Part 2, although this may be waived for values under £10,000 subject to the approval of the relevant Director **or Assistant Director**.
- O2. Sales under £10,000 in value may be approved by the Head of Service in consultation with the relevant Director **or Assistant Director in consultation with the Chief Executive**
- O3. Sales over £10,000 and up to £30,000 in value may be approved by the Chief Executive in consultation with the Chief Finance Officer.
- O4. Sales over £30,000 require approval from the Audit Resources and Performance Committee.
- O5. Disposal of land and property is subject to the conditions of delegation in Section 7.D-7