

# Brecon Beacons National Park Authority

## Financial Regulations



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## **1.0 Background**

These Regulations are approved by the Brecon Beacons National Park Authority (the Authority) and provide the framework for managing the Authority's financial affairs, together with Standing Orders in Relation to Contracts, Codes of Conduct, the Scheme of Delegation, the Treasury Management Policy and the detailed guidance on financial management given in the Authority's financial procedures. The Regulations should be read in with reference to the above documents. They apply to every member and employee of the Authority. Failure to comply with the Regulations may result in disciplinary action.

The Chief Executive has delegated authority in consultation with the Finance Manager/Section 151 Officer (Chief Financial Officer), abbreviated below as the Finance Manager/S151 Officer, to introduce detailed Financial Procedures in support of these Financial Regulations from time to time as necessary for the proper administration of the financial affairs of the Authority.

The aim of the Regulations is to ensure that a proper system is in place for managing the public funds entrusted to the authority for the fulfilment of its statutory purposes and that all employees and members of the Authority are aware of their responsibilities in this regard.

### **1.1 Responsibilities**

The Authority is responsible, under the Accounts and Audit Regulations for internal control, including financial and risk management. The National Park Authority and Audit and Scrutiny Committee are responsible for regulating, supervising and controlling the Authority's finances and accounts, co-ordinating financial and accounting arrangements and making arrangements for audit of the Authority's finances and systems.

The Chief Executive has overall responsibility for ensuring that proper arrangements are made to ensure the financial regulations are observed at all levels within the Authority.

### **1.2 The Legal Responsibilities of the Section 151 Officer**

As a public authority, the Brecon Beacons National Park Authority is bound by UK legislation, accounting standards and codes of practice for the public sector as set down by CIPFA. The Finance Manager/S151 Officer is responsible, under Section 151 of the Local Government Act 1972 for the administration of the Authority's financial affairs. Further statutory duties, which cannot be overridden, arise from the following:

The Local Government Finance Act 1988  
The Local Government and Housing Act 1989  
The Local Government Act 2003  
The Public Audit (Wales) Act 2004 (as amended)  
The Accounts and Audit (Wales) (Amendment) Regulations currently in force.

The S151 Officer is responsible under the above legislation for the following:

- The proper administration of the Authority's financial affairs.
- The setting and monitoring of compliance with financial management standards.

- The reporting on the robustness of the estimates and the adequacy of the reserves for the purposes of making budget calculations.

In accordance with Section 114 of the Local Government Finance Act 1988, the S151 Officer 'shall report to the Authority if it appears to him that the Authority, committee or any of its officers:

- *Has made or is about to make a decision which involves, or would involve, the authority incurring expenditure which is unlawful.*
- *Has taken or is about to take a course of action which, if pursued to a conclusion, would be unlawful.*
- *Is about to enter an item of account the entry of which is unlawful.*
- *If the expenditure of the authority is likely to exceed the resources available to it to meet that expenditure.'*

In making such a report, the S151 Officer shall:

- Consult with the Monitoring Officer on the issue of unlawfulness.
- Consult with the Chief Executive on the matter.
- If there is disagreement or doubt, ask the Monitoring Officer to obtain Opinion of Counsel.

Any such report is to be sent to all members of the Authority and the external auditor. Once a report is made, the Authority is required to hold a meeting within 21 days to consider it. The source of conduct which led to the report must not be pursued until the full Authority has considered the report.

Also in accordance with Section 114 of the 1988 Act,

- The statutory duties of the S151 Officer are required to be performed in person, with statutory contingency arrangements made for illness or absence.
- The Authority shall provide the S151 Officer with sufficient staff, accommodation and other resources, including legal advice where this is necessary, to carry out the duties under Sections 114 and 151 of the 1988 Act.

To assist the Finance Manager/S151 Officer in carrying out the responsibilities outlined above, it is the responsibility of the Chief Executive to ensure that the Finance Manager/S151 Officer is consulted and informed when decisions are made which have significant financial implications

### **1.3 Changes and Suspensions of Financial Regulations**

These Financial Regulations may not be amended or suspended without prior approval of the Authority.

## **2.0 Budget Management and Financial Planning**

### **2.1 Budget setting**

The Welsh Government issues an annual approved expenditure limit together with details of the 75% National Park Grant payable for the coming year in January of each financial year. The Chief Executive is responsible for preparing a detailed budget for the coming financial year with an accompanying levy statement for approval by the Authority. By 15<sup>th</sup> February annually, the Authority is required to issue a levy on its constituent local authorities for the remaining 25% of approved expenditure in the proportions laid down in the National Park Authorities (Levies) (Wales) Regulations 1995. The S151 Officer is responsible for ensuring that the budget is prepared in accordance with sound financial principles and at a level of detail which is consistent with good financial management and the accounting principles laid down by CIPFA.

In addition to setting the budget for the coming financial year, the Authority should also approve medium term budget forecasts for at least the two subsequent years, for both revenue and capital expenditure. The Chief Executive is responsible for preparing budget forecasts which reflect the Authority's documented medium term objectives and for ensuring that the forecasts are both sound and prudent.

The Authority is responsible for ensuring that the budget reflects fully the strategic priorities of the organisation, its statutory responsibilities and its Corporate Plan. It should have regard to the approved expenditure limit set by the Welsh Government or the best available forecast thereof and the level of reserves held by the Authority.

Service Managers, the Delivery Director and Chief Executive are responsible for ensuring that the budgets for their areas of responsibility are prepared in accordance with the corporate objectives and timetable agreed by the Chief Executive and are as accurate and complete as possible.

### **2.2 Reserves**

Reserves are maintained to enable the Authority to provide for unexpected events and to permit some flexibility in the management of the budget from one year to the next. Reserves for specific purposes may be maintained. The use of reserves to fund planned expenditure is subject to the approval of the Authority as part of the budget setting arrangements described in 2.1 above.

It is the responsibility of the S151 Officer under S26 and S27 of the Local Government Act 2003 to advise the Authority annually on the appropriate level of reserves and to make recommendations on the Authority's strategy with regard to reserves. Reserves should be accounted for in accordance with the CIPFA Code of Practice.

### **2.3 Budget Monitoring and Financial Planning**

Responsibility for the management and monitoring of the Authority's budget ultimately rests with the Authority. It is delegated to the Chief Executive who, in turn delegates this task to other senior managers and budget holders. The S151 Officer ensures that an adequate system of budget reporting and monitoring is in place. Service Managers, the Delivery Director and the Chief Executive are responsible for ensuring that expenditure in their

areas of responsibility does not take place unless it is included in the approved budget, correctly allocated to an appropriate budget heading and appropriately authorised.

Regular reports are made to the the Audit & Scrutiny Committee, comparing actual expenditure and income with the budget and, when appropriate, significant revisions made to the budget.

## **2.4 Virements and Budget Revisions**

The original estimate for the current financial year will be reviewed by the Chief Executive and officers with budget management responsibility during the course of that year. The Chief Executive will implement any budget revisions which are necessary to reflect changes in priorities or circumstances during the year. Significant changes to planned use of reserves/revisions to the budget will be submitted to the Authority for approval as provided for by the following limits:-

Changes to the estimates during the year in the form of movements, or virements, of individual sums ~~of up to £10,000~~ can be authorised by Budget Holders within their own Budget Heads [according to the approved sign-off limits in force \(Planning Policy Manager/ Natural Resources Manager/ Public Engagement Manager/ Sustainable Development Manager: £30,000; other budget holders: £10,000\)](#). Virements of up to ~~£5075,000~~ in total between Service Areas require authorisation by the Delivery Director or Chief Executive. Virements up to ~~£400125,000~~ in total must be approved by the Chief Executive. Individual virements/movements which revise gross expenditure or income on a Budget Head by ~~£400125,000~~ or more, or should be authorised by both the Chief Executive and the Finance Manager/S151 Officer. Any movements involving a transfer to or from Reserves should be authorised by the Finance Manager /S151 Officer. The Audit and Scrutiny Committee will receive a summary and explanation of all budget adjustments in the previous quarter which have revised gross income or expenditure on an individual budget head by more than £50,000.

Budget adjustments which require an additional use of Reserves of more than £50,000 or which would result in the General Reserve being reduced below the minimum balance recommended by the S151 Officer are subject to prior approval by the Authority. All virements/movements must be in accordance with the stated policies and objectives of the Authority.

## **3.0 Financial Management**

All staff and members of the Authority have a duty to observe the highest standards of probity in dealing with financial issues. It is the Authority's duty to regulate, supervise and control its finances and accounts and oversee financial and accounting arrangements. It is the duty of the Audit and Scrutiny Committee to receive reports, monitor, note progress, approve and make recommendations on Financial Systems to include Budget Monitoring and audit reports on the general system of financial controls.

### **3.1 Accounting Policies**

The Finance Manager/S151 Officer must ensure that the accounting policies and processes of the Authority comply with legal and professional requirements. Changes to the

Authority's accounting policies are subject to approval by the National Park Authority and are reported in the annual Statement of Accounts.

### **3.2 Accounting Systems**

The Authority is responsible for maintaining a proper system of accounting for and recording expenditure and income. It is also responsible for establishing and overseeing internal controls which ensure compliance by all officers of the Authority with the accounting system. The S151 Officer is responsible to the Authority for keeping the principal accounting records of the Authority, supervising and controlling all accounting systems and records. The Finance Manager/S151 Officer shall ensure that, in so far as is practicable, the Authority's accounting records and statements comply with professional and statutory requirements and codes of practice. Day to day financial management is documented by written financial procedures. Departures from financial regulations or procedures should be subject to authorisation by the Finance Manager/S151 Officer. Unauthorised departures should be addressed through the Authority's disciplinary procedures.

### **3.3 Accounting Records**

The Authority has a statutory responsibility to make arrangements for preparing an annual Financial Statement which presents a true and fair view of its financial operation during the financial year. The year runs from 1st April to 31st March. The Finance Manager/S151 Officer is responsible for ensuring that the annual Statement of accounts is prepared in accordance with the current *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice* (CIPFA/LASAAC) and the relevant legislation. This includes the requirement to sign and date the draft Statement by the statutory deadline, certifying that it presents fairly the financial position of the Authority at the accounting date and its income and expenditure for the preceding financial year ended 31 March. The Finance Manager/S151 Officer must also make arrangements to facilitate the audit of the Statement in accordance with the Accounts and Audit Regulations, providing such information and explanations as are required by the Auditor.

The National Park Authority, or an appropriately authorised Sub-Committee with delegated powers, is responsible for approving the Statement of Accounts for each financial year by the statutory deadline. Members receive the annual report of the Auditor General for Wales on the Financial Statements at the same meeting and consider any related recommendations for improvement. The Chair of the Authority or Committee and the S151 Officer sign and date the Statement immediately following approval. The Statement of Accounts is then published on the Authority's website at the same time as the Annual Governance Statement.

### **3.4 Audit Arrangements**

**Internal audit** is part of the system of internal control established by the S151 Officer to ensure that the Authority makes proper use of the financial and other assets of which it has stewardship and accounts for that use correctly. An effective programme of internal audit helps to ensure that financial management and other corporate governance systems are robust, minimise the risk of financial loss due to error or fraud and are efficient and effective. It also identifies non-compliance with the procedures which make up each system and the associated risks. The practices and procedures followed by internal auditors should follow the CIPFA Code of Practice for Internal Audit in Local Authorities in the United Kingdom

The Finance Manager/S151 Officer is responsible for making arrangements for internal audit and ensuring that the recommendations of internal auditors are considered and implemented. The Audit and Scrutiny Committee is responsible for overseeing the system of internal control, receiving all reports from the Authority's auditors (both internal and external). The Chief Executive, Delivery Director and Service Managers are responsible for considering and responding promptly to recommendations made in audit reports and for assisting auditors in carrying out investigations by facilitating access to information, premises and staff for which they are responsible. Internal Audit may require, and must be given, access to any records held by the Authority without notice.

**External audit** is the means by which the Authority is held accountable to the state and the public for its stewardship of the public funds and assets entrusted to it for the performance of its statutory purposes. The Authority's external auditors; the 'Appointed External Auditor', must be satisfied that its annual Statement of Accounts presents a true and fair view of its financial position and its income and expenditure for the preceding year and complies with legal and professional requirements. The appointed external auditor also reports on the how well the Authority is monitoring and improving its performance and the soundness of its internal control systems.

The Finance Manager/S151 Officer is responsible for:

- Liaising and exchanging information with the Appointed External Auditor' representatives.
- Facilitating audit investigations.
- Promoting cooperation with internal audit.
- Advising the Chief Executive and authority members on matters relating to external audit.

### **3.5 Fraud and Corruption**

The Authority does not tolerate fraud and corruption, whether external or internal. Members and staff will set an example of integrity by adhering at all times to the legal and procedural requirements put in place to safeguard against malpractice.

The Authority will maintain an effective policy on fraud and corruption and promote a culture of high ethical standards. The Chief Executive will maintain appropriate 'whistleblowing' policies and procedures and implement the provisions of the fraud and corruption policy immediately should any instances of fraudulent or corrupt behaviour be discovered.

All staff are responsible for reporting any irregularity involving misuse of Authority assets by staff, fraudulent claims of payment from the Authority and for guarding against fraud. Any irregularity should be immediately reported to the Chief Executive and the Finance Manager/S151 Officer who will take steps to investigate and report on it in accordance with the Authority's Fraud and Corruption Policy. If it is considered that a criminal act may have taken place the matter will be reported to the Police. If an employee of the Authority is involved, the appropriate disciplinary process will initiated.

Staff will ensure that any potential conflict of interest or receipt of gifts or hospitality is reported in accordance with the provisions of the Authority's code of conduct relating to

staff. Members will comply with the Code of Conduct for Members and only accept gifts or hospitality which are permitted by the Code.

## **4.0 Financial Systems**

The S151 Officer has a responsibility to ensure that financial systems and procedures are sound. This role includes the provision of advice to other departments on financial and administrative processes. However, the Chief Executive, Delivery Director and Service Managers also are responsible for the proper operation of financial processes in their own service areas.

### **4.1 Value Added Tax**

All queries and questions of principle relating to the collection or payment of VAT will be referred to the Finance Manager, who will consult with HM Revenue and Customs and obtain official advice. The Finance Manager will account for and reclaim VAT on a quarterly basis as required by VAT legislation, maintaining such records as are required by HM Revenue and Customs and providing any explanations or information required by HM Revenue and Customs officials.

### **4.2 Income**

Effective income collection systems ensure that all income due is identified, collected, receipted and banked properly. It is the overall responsibility of the Chief Executive to make arrangements to obtain income promptly on supply of goods or services or delivery of grant-aided projects. This improves Authority cashflow and reduces the cost of administering debts.

The Chief Executive, Delivery Director and Service Managers should conduct a regular review (at least annually) of fees, charges and prices set within their service area, reporting proposed changes and any proposals for additional chargeable services to the Authority. All fees and charges must be set in compliance with relevant statutory regulations and guidance.

Any person who receives money on behalf of the Authority will ensure an official receipt is generated and keep such records as are required by the Finance Manager/S151 Officer, including an accurate and chronological record of all receipts. Only receipts in the format approved by the Finance Manager/S151 Officer will be issued.

All cash and cheques received on behalf of the Authority will be balanced and either passed to the Finance Manager or, by arrangement with the Finance Manager/S151 Officer, direct into the Authority's bank account, either daily or at intervals approved by the Finance Manager/S151 Officer. All cash, electronic and cheque income deposited in the Authority's bank accounts will be accounted for in a format agreed by the Finance Manager/S151 Officer together with the supporting information required by the Finance Manager/S151 Officer. All systems and arrangements for the handling and banking of cash and recording of income due to the Authority shall be approved by the Finance Manager/S151 Officer.

The Chief Executive, Delivery Director and Service Managers should ensure that procedures are in place to enable staff providing goods and services to third parties on the Authority's behalf to collect the income receivable by the Authority as a result. This may

be achieved either by requiring immediate payment or by requesting an invoice. Income collection systems are subject to review and approval by the Finance Manager/S151 Officer.

All invoices for goods and services supplied by the Authority will be raised in accordance with the relevant written financial procedures. Particulars of all invoices to be raised for goods and services supplied will be provided promptly to the Finance Manager/S151 Officer in a format specified. Once an invoice has been raised, no reduction in the amount due will be permitted except by receipt of payment or the issue of an official credit note. Post-dated and third-party cheques will not be accepted in payment of debt. Staff receiving income will have regard to the Money Laundering Regulations (see below) and will seek advice from the Finance Manager/S151 Officer if they have concerns about individual items of income.

Debt recovery arrangements will be in accordance with the relevant written financial procedures. Sums due to the Authority will not be written off except on the authority of the Finance Manager/S151 Officer. The Audit and Scrutiny Committee will receive reports on all debts in excess of £5,000 written off.

#### **4.3 Money Laundering**

Money Laundering as defined by the Money Laundering Regulations 2003 is the criminal offence of concealing, disguising, converting, transferring or removing criminal property from the UK; becoming concerned in an arrangement which the individual knows or suspects will facilitate the acquisition, retention, use or control of criminal property by or on behalf of another person; or acquiring, using or possessing criminal property. The definition of criminal property is very wide and includes the proceeds of employment on which tax has not been paid.

The Authority has designated the Finance Manager/S151 Officer as Money Laundering Officer. All officers of the Authority are responsible for reporting any suspected case of money laundering to the Money Laundering Officer, who is in turn responsible for recording and investigating any such cases and reporting them where appropriate to the National Criminal Intelligence Service. The Money Laundering Officer is also responsible for establishing procedures and policies to identify and report on cases of money laundering and advising on the appropriate training of staff likely to be exposed to money laundering risks.

#### **4.4 Grants Receivable**

The National Park Authority is responsible for considering and approving major grant-aided projects, taking into account their operational and financial implications and their contribution to the Authority's objectives.

The Chief Executive, Delivery Director and Service Managers' responsibilities are:

- Through the Management team, to review and approve proposals for new projects, and submit to the Authority for approval if warranted by their scale and nature.
- To ensure that any requirements for match funding are met and that the full budgetary implications of undertaking the grant-funded project are evaluated and authorised in accordance with budget management principles set out in Section 2, together with any operational effects and attendant risk.

- To ensure that grant claims are submitted promptly in accordance with the grant body's timetable to optimise cashflow.
- To ensure that all related expenditure and income is accurately coded, that it complies with the conditions of the grant and is supported by sufficient documentary and other evidence to justify a claim.
- To ensure that all non-financial supporting evidence relating to the project is securely stored for the period required by the grant body after the completion of the project.

The Finance Manager/S151 Officer's responsibilities are:

- To ensure systems are in place to account for grants correctly.
- To certify or make arrangements for certifying the financial accuracy of grant claims, depending on the grant body's requirements.
- To ensure that all grant payments notified to the Authority are received and properly accounted for.
- To ensure that appropriate arrangements for audit are made, retaining all financial records for the period required by the grant body.

#### **4.5 Expenditure**

Authorities have a duty to make efficient and economical use of the public money entrusted to them for the performance of their functions, providing good value to the tax payer. Failure to follow the appropriate procedure for procuring goods and services may lead to disciplinary action.

When procuring goods and services, employees shall comply with the Authority's Standing Orders Relating to Contracts and other relevant Authority and Welsh Government procurement policies and guidance. Officers' authorisation limits, for the purposes of committing the Authority to item of expenditure, will be agreed between the appropriate Line Manager or the Chief Executive and the Finance Manager/S151 Officer and recorded by the S151 Officer. Individual items of expenditure in excess of £100,125,000 must be authorised by the Chief Executive.

#### **4.6 Purchase Orders**

The use of official purchase orders for the supply of goods and services is the principal means by which the Authority controls non-staff expenditure. Effective controls on the ordering process ensure that the budgets are properly managed, public money is not wasted and fraud and corruption are prevented.

Official purchase orders in a form approved by the Finance Manager/S151 Officer shall be issued by all departments for all works, goods and services required, except for supplies of utilities, rent, rates, and other periodic payments, purchases made using official procurement cards and petty cash disbursements. Purchase orders will be approved by an authorised signatory.

Where, as a matter of urgency, goods or services are ordered verbally and are to be invoiced and the issue of an official order is not practicable, a confirmation order shall be issued on the same day or on the next working day.

Purchases will comply with Authority policies, Welsh Government policies and relevant legislation relating to public procurement.

It is the responsibility of the authorised signatory to ensure that the financial code to which the order is charged is an appropriate one for the expenditure being incurred and that there are sufficient unspent funds in the budget for that code to cover the purchase. Authorised signatories should not charge expenditure to codes for which they are not the budget holders unless the approval of the budget holder has been obtained.

#### **4.7 Leases**

All new/amended leases relating to land and buildings should be referred to the Authority's legal services provider and Chief Executive in compliance with the Authority's Scheme of Delegation.

Complex rules exist to govern the classification of Local Authority capital expenditure in relation to leasing arrangements. In order to ensure that arrangements are accounted for correctly all leasing/ rental/ hire purchase agreements and other arrangements where the use of an asset is acquired without the transfer of ownership to the Authority must be referred to the Finance Manager/S151 Officer prior to the arrangement being finalised and a copy of the signed agreement provided when available.

#### **4.8 Payments to suppliers**

All payments out of the bank accounts of the Authority will be made by the Finance Section and authorised in accordance with the Bank Mandate, whether by cheque, or electronic funds transfer.

All other accounts for payment will be certified by an approved signatory by a method approved by the S151 Officer and recorded in written financial procedures. All accounts for payment not covered by the exceptions given above will carry the order number.

In certifying accounts, the authorised signatory is providing assurance to the Authority that:

- An official purchase order has been issued for the goods or services if required (see section 4.6 above re purchase orders) and the appropriate procurement processes have been followed (as contained in the Standing Orders relating to Contracts and related guidance).
- The goods or services have been received, examined and found satisfactory in accordance with the specification on the order or contract.
- The prices of the items are in accordance with the order or contract and are arithmetically accurate.
- Appropriate entries have been made in departmental inventories or stock records as required.
- The account has not been previously passed for payment and is a proper liability of the Authority.
- The financial coding of the authorised expenditure is appropriate.

If an invoice contains arithmetical errors it may be amended by the authorised signatory, with a written indication of the reason, unless it is a VAT invoice, in which case it must be returned to the supplier for correction.

The Finance Manager/S151 Officer is entitled to rely on the assurance provided by the invoice certification and make payment in accordance with the standing orders and financial regulations of the Authority.

The Finance Manager/S151 Officer may authorise the issue of procurement cards to staff to permit approved purchases and expenses to be paid directly by the Authority. The amounts of any official expenses incurred by this method must comply with the schemes operated by the Authority. Officers who are supplied with procurement cards are responsible for their safe custody and for accounting to the Authority for expenditure incurred on them in accordance with the controls, documentation, timetable and format laid down by the Finance Manager/S151 Officer. No personal or private payments for goods or services using an Authority credit card will be permitted.

Disbursements of grants and other payments not supported by invoices will be authorised by means of approved documentation and subject to the same controls on authorisation, coding and compliance with standing orders as invoice payments.

#### **4.9 Timeliness of Processing Creditor Payments**

Where there is a credit period agreed between the supplier and the Authority, this is the criterion used to judge whether late payment has occurred. Where there is no agreed credit period, the last date for payment is taken to be 30 days after the date of the invoice.

In order to ensure that the Authority complies with the requirements placed upon it under this legislation, staff who deal with processing creditor payments are required to follow the procedures established by the Finance Manager/S151 Officer and ensure that invoices reach the Finance Section in sufficient time to allow payment within 30 days.

#### **4.10 Payments to Employees, Members and Pensioners**

The payment of employees, members and pensioners of the Authority is made by the Finance Manager/S151 Officer in accordance with the relevant legislation and detailed guidance supplied by the HMRC. It represents the majority of expenditure by the Authority and therefore must be subject to rigorous internal controls. All individuals employed by the Authority must be added to the payroll and have the appropriate PAYE and NI deductions made from payments to them, unless they are self-employed as defined by HMRC or employed by a recognised staff agency. It is the responsibility of the Chief Executive with the advice of the Human Resources (HR) Officer and in consultation with staff through the appropriate mechanisms to implement management procedures which help to ensure that each employee provides the level and standard of service to the Authority required by their contract of employment.

The payment of all salaries, pension contributions, compensation, official expenses and other emoluments is made under arrangements approved and controlled by the Finance Manager/Section 151 Officer. The authorisation of the monthly transmission of net pay and expenses from the Authority's bank account should be carried out by at least two members of staff, one of which is the Finance Manager/S151 Officer, the Chief Executive or the Delivery Director. The Authority is a member of the Local Government Pension Scheme through the Powys Pension Fund and payments to its pensioners are determined by the Scheme and administered by Powys County Council. The Finance Manager/S151 Officer is responsible for ensuring that payments are made into the Powys Pension Fund on

behalf of the Authority and its employees and is responsible for making arrangements for other deductions from payments to staff and members as required by legislation or authorised by the individuals concerned and paying over the amounts collected to the appropriate recipient.

Changes to nationally and locally determined conditions of service which impact upon payments to staff and members will be implemented by the Authority's HR Officer by notification to the Authority's payroll provider. Appointments of employees will be made in accordance with the HR Policies operated by the Authority and the approved establishment, grades and rates of pay.

All time records and other documents generating payments to employees will be in a form prescribed or approved by the Finance manager/S151 Officer and will be certified by the employee and their line manager or other authorised signatory in a format approved by Management Team. Payments of expenses to Authority Members will be certified by the Monitoring Officer or other officer designated by the Monitoring Officer before being paid by the Finance Manager/S151 Officer.

#### **4.11 Claims for Reimbursement of Expenses**

All claims by officers for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be in accordance with the schemes operating by the Authority for staff, members and the Chief Executive. Claims for expenses more than three months in arrears will not be paid unless approved by the Chief Executive.

It is the responsibility of the Chief Executive and designated line managers to ensure that officers' claims are justified and comply with the approved scheme. The timetable for and format of expense claims will be determined by the Finance Manager/S151 Officer. All expense claims will be certified by both the claimant and their line manager. In certifying an expenses claim, officers must satisfy themselves that the expenses were properly and necessarily incurred, that the amounts claimed are properly payable by the Authority and supported by the appropriate receipts.

Expenditure on staff expenses paid by procurement cards in excess of that permitted by the appropriate scheme of allowances must be reimbursed to the Authority immediately unless agreed with the appropriate Line Manager or the Chief Executive.

The Finance manager/S151 Officer is responsible for ensuring that claims are properly evidenced and authorised and comply with the standing orders and financial regulations of the Authority and for making arrangements to reimburse claims through the Authority's payroll provider.

#### **4.12 Taxation**

The Finance Manager/S151 Officer will advise the Chief Executive on all taxation issues that affect the Authority, in the light of legislation and guidance issued by HM Revenue and Customs and other appropriate bodies, obtaining external advice as required.

The Finance Manager/S151 Officer will make arrangements for the maintenance of the Authority's taxation records and for making all tax payments, receiving tax credits and submitting tax returns by their due date. The Finance Manager/S151 Officer will ensure that proper systems exist for accounting for both PAYE and VAT both internally and to the

relevant external agencies, supplying representatives of these agencies with the information they may require in order to administer and police the collection of taxes. Pay-overs of monthly payroll deductions and employer contributions will be reviewed and authorised by the Finance Manager, Delivery Director or Chief Executive.

#### **4.13 Financial year-end procedures**

The Finance Manager/S151 Office is responsible for establishing a close-down plan for the financial year end and issuing guidance and instructions to all staff with financial responsibilities. Budget managers are responsible for ensuring that these instructions are complied with in a timely manner for their area of budgetary responsibility.

#### **4.14 Prepayments**

Where it is necessary in exceptional circumstances for payment to be made in advance of receipt of goods and services, adequate checks should be undertaken to ensure that the supplier is financially sound and that the arrangement represents best value for the Authority.

#### **4.15 Controlled Financial Stationery**

Controlled stationery is the term used for those forms whose storage, issue and use is controlled by pre-numbering. The arrangements for procuring, storing, and issuing financial controlled stationery will be the responsibility of the Finance Manager/S151 Officer.

### **5.0 The Control of Resources**

It is important that the Authority's assets are safeguarded, maintained and efficiently used for the delivery of the Authority's statutory purposes.

#### **5.1 Physical Assets**

These include buildings, land, equipment, fittings, furniture, stocks, records (both manual and computerised), cash and other items owned or leased by the Authority. The Authority is responsible for establishing an asset management strategy and plan and maintaining a comprehensive asset register.

The Chief Executive is responsible for establishing and maintaining a register of all land and buildings owned by or leased to the Authority, recording details of:

- Acquisition date
- Purpose
- Managing Department
- Location and GIS reference
- Purchase/Lease details
- Nature of interest
- Rents payable
- Details of Tenancies granted

Land, and other capital assets defined as such by the CIPFA Statement of Recommended Practice may only be acquired in accordance with the Capital Programme approved by the

National Park Authority and accounted for in accordance with the Authority's accounting policies.

Staff are responsible for ensuring that the assets assigned to their areas of responsibility are properly secured, maintained, recorded and operated in accordance with health and safety, disabled access, data protection and other legislation. The Chief Executive, Delivery Director and Service Managers are also responsible for the maintenance of an accurate inventory of the assets held within their areas of responsibility in an appropriate format. The inventory should be checked at least annually and action taken in relation to any discrepancies found. Procedures and controls established for the protection of computerised data, stores and cash must be followed and any losses or damage properly reported for insurance and accounting purposes.

The Chief Executive is responsible for maintaining proper security and protecting information held on the Authority's corporate computer systems as laid down in the Authority's IT policy and required by legislation. The Chief Executive is also responsible for ensuring that all legal documents of title to land owned or leased by the Authority are securely stored.

The Finance Manager/S151 Officer is responsible for establishing and administering proper procedures to account for stock, cash and imprests and for accounting for the assets owned by the Authority in accordance with the current CIPFA Statement of Recommended Practice.

## **5.2 Personal Use of Authority Assets**

Subject to certain specified exemptions, Authority equipment is solely for use on the business of the Authority. Instances in which staff are entitled to make personal use of Authority equipment are strictly limited to the following and must reimburse the Authority if required to do so in accordance with established procedures and policies

- Private telephone calls and data use (land lines and mobiles). These must be kept to a reasonable minimum.
- Other office equipment (e.g. photocopiers or printers, or computers) where the personal use is authorised by the Chief Executive or appropriate line manager.
- Clothing and footwear provided by the Authority are provided principally for use in carrying out official duties although reasonable personal use is acceptable.

Authority vehicles are not to be used for private purposes except in the limited circumstances permitted by HMRC regulations, such as home-to-work travel in vehicles defined by HMRC as vans. The VAT and Income Tax regime covering pool cars and other employer-owned or leased vehicles is complex and private use by staff may result in costs to the authority and taxable benefits to staff. The Chief Executive and line managers must seek advice from the Finance Manager/S151 Officer before authorising any private use.

The personal use of Information Technology is subject to the Authority's IT policies

## **5.3 Imprests**

Imprest holders are responsible for ensuring that the cash they hold for defraying minor expenses is properly accounted for in accordance with the procedures laid down and is kept separate from cash income. They are required to certify the balances held when an

imprest claim is made and for the total amount of their imprest as at the 31 March each year.

#### **5.4 Asset Disposal**

Surplus property of whatever nature, other than land and buildings, may be disposed of only by arrangements agreed by the Finance Manager/SI51 Officer and will, as appropriate, be by competitive quotation, open sale, tender or public auction wherever practicable. Disposals of land and buildings are subject to the approval of the Authority. Re-use of assets and recycling opportunities should be considered; the principles of achieving best value for the Authority and promoting sustainability should be followed.

#### **5.5 Insurance and Risk Management**

All organisations face risks to people, property and continued operation. Risk is the possibility of loss, damage, injury or failure to achieve objectives caused by an action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets and continued financial and operational well-being of the organisation. It is concerned with evaluating the measures an organisation already has in place to manage identified risks and recommending the actions necessary to control these risks.

Members are responsible for approving the Authority's risk management strategy, reviewing the Risk Register and promoting a culture of risk management throughout the Authority.

The Chief Executive is responsible for:-

5.5.1 Preparing and promoting the Authority's risk management policy and ensuring that staff are aware of their responsibilities in relation to risk management.

5.5.2 Developing risk management controls, including the establishment of effective procedures to identify, assess, prevent or contain material risk, compliance monitoring, and evaluation of effectiveness.

5.5.3 Including all appropriate employees of the Authority in a suitable fidelity guarantee insurance.

5.5.4 Arranging the full range of corporate cover of identified insurable risks through external insurance where appropriate and negotiating all claims in consultation with other officers as necessary.

5.5.5 Ensuring that administrative processes are established to investigate claims, recover insured losses and maintain appropriate records.

5.5.6 Ensuring that disaster recovery and business continuity plans are in place for the Authority.

Managers are responsible for:-

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5.5.7 Notifying the Chief Executive immediately of any loss, liability or damage that may lead to a claim against the Authority, together with any information or explanation required by the Chief Executive or the Authority's insurers.

5.5.8 Risk management within their areas of responsibility, having regard to advice from the Chief Executive.

5.5.9 Notifying the Chief Executive promptly of any new risks, property, vehicles or equipment which require insurance and of any alterations affecting existing insurances.

5.5.10 Reviewing and re-evaluating risks at least annually.

5.5.11 Consulting the Chief Executive and the Authority's legal services provider on the terms of any indemnity the Authority is requested to give.

5.5.12 Ensuring that employees or others covered by the Authority's insurances do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

All employees must provide prompt notification in accordance with agreed procedures of any loss, liability or damage or any event likely to lead to a claim and to supply information and explanations as required by the responsible Officer or the Authority's insurers.

#### **5.6 Intangible Assets: Treasury Management**

The Authority has adopted the Prudential Code and a Treasury Management Policy which lays down proper practices for managing and reporting on the balances held by the Authority. It is the responsibility of the Finance Manager/S151 Officer to ensure a sound system of treasury management is in place and to report to the Audit and Scrutiny Committee on the funds held, interest earned and the impact of capital financing on the funds available for revenue expenditure if required. The primary consideration in the investment of the Authority's surplus funds should be to maintain the security of the funds and minimise the risk of loss. The National Park Authority is responsible for annually considering and approving the Authority's borrowing limits and prudential indicators and also for monitoring the Authority's performance against the prudential indicators, as reported by the Finance Manager/S151 Officer.

All transfers of funds between the Authority's bank accounts and the issue of payment instructions to the Authority's banker in the form of cheques and electronic transfers must be made under arrangements approved by the Finance Manager/S151 Officer. All cheques are signed by officers authorised by the Finance Manager/S151 Officer and cheques with a value exceeding £1000 are signed by two officers. The Finance Manager/S151 Officer is responsible for ensuring that a safe and efficient system is in place for controlling access to the authority's accounts, to blank cheques and credit cards and that the cash book is promptly and regularly reconciled to the bank statements. Changes to the bank mandate will be submitted to the Authority for approval.

#### **5.7 Staffing**

The staff of the Authority represent its most significant item of expenditure. In order to function effectively, the Authority must recruit and retain high quality, well motivated, appropriately qualified and experienced staff.

- The Chief Executive, as Head of Paid Service, shall provide overall management of staff. This includes ensuring that an appropriate evaluation system for determining the remuneration of each post is in place, in consultation with the HR Officer.
- The Chief Executive shall ensure that budget provision exists for all current and proposed posts. The Finance Manager/S151 Officer shall act as an adviser to the Chief Executive, Delivery Director and Service Managers on areas such as National Insurance and Pension Contributions and will produce and revise a staffing budget on the basis of the information supplied by the Chief Executive, Delivery Director and Service Managers.
- The Chief Executive, in consultation with the HR Officer shall ensure that appropriate arrangements operate to notify the Authority's payroll provider in a timely manner and in the format agreed with the Finance Manager/Section 151 Officer of all matters affecting the payment of staff, such as changes in personnel, absences, policies, regradings and secondments.
- In cases of restructuring involving redundancy and early retirement, Authority decisions shall be informed by costing obtained by the HR Officer from the Authority's payroll and pension providers in a format agreed by the Chief Executive and the Finance Manager/S151 Officer. A calculation of the budgetary implications of any changes to the establishment presented to the Authority for decision must be reviewed and approved in advance by the Finance Manager/S151 Officer and HR Officer.