

Report to	Resources & Performance Committee
Date	13 February 2013
By	Chief Finance Officer
Title of Report	Financial Regulations and Procedures
Purpose of Report	To present updated Financial Regulations and Financial Procedures for Members' consideration.

Recommendation: That the Committee recommends that the South Downs National Park Authority approves and adopts the revised Financial Regulations and Procedures with immediate effect.

1. Introduction

- 1.1 This report provides updated Financial Regulations and Financial Procedures as detailed in **Appendices 1 and 2** for the regulation of financial business of the South Downs National Park Authority (the Authority) and the main reasons for the revisions.

2. Background

- 2.1 The Local Government Act 1972 directs that 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. These Financial Regulations are subject to Accounts and Audit Regulations (revised in 2011) issued by Government under s27 of the Audit Commission Act 1998. Accounts and Audit Regulations establish statutory provisions for accounting arrangements, audit arrangements and financial control within the authority, consistent with Audit Commission guidance.
- 2.2 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. These 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. They are part of the Authority's Standing Orders and are supported by a number of other documents including Contract Standing Orders, schemes of delegation and codes of conduct for officers and Members. Contract Standing Orders were approved on 6 July 2010 and it is not proposed to amend these.
- 2.3 The Financial regulations and Financial Procedures are based on CIPFA (Chartered Institute of Public Finance and Accountancy) best practice guidance for financial regulations, adapted to be relevant to this Authority.
- 2.4 The Financial Regulations are supported by Financial Procedures which provide details of how the Regulations will be implemented operationally. These establish sound practices and assist senior officers in their responsibilities for the operation of their financial processes. These documents provide clarity about the financial accountabilities of Members, Statutory Officers, Directors and Managers.
- 2.5 The Authority approved the current Financial Regulations on 29 March 2011 and following nearly two operational years there a number of amendments required to ensure efficient administration reflecting the current organisation and also feedback from officers.

3. Financial Regulations and Procedures

- 3.1 The Chief Finance Officer is responsible for maintaining a continuous review of the financial

regulations and for submitting any revisions to the Authority for approval after consultation with the Chief Executive. The Financial Regulations and Procedures have been revised and updated to reflect the following:

- Alignment with the latest terms of reference for Committees.
- Alignment with Director of Corporate Services and Chief Finance Officer roles following the procurement of the 3-5 year financial services contract.
- Greater clarification of the approval process for carry forward underspends and overspends.
- Amendments to some limits reflecting organisation requirements. For example: Increase of capital limits (para b.2.4.3) from £5,000 to £20,000 for capital expenditure to be included within the capital programme.
- The introduction of purchasing cards and cash collection facilities.
- Expansion of the external arrangements section to include guidance in relation to forward funding schemes, which maybe required in the future.

3.2 The revised Financial Regulations and Procedures are included in **Appendices 1 and 2** respectively with the amendments highlighted for easy reference.

4. Resources

4.1 There are no resource implications arising from this report.

5. Risk management

5.1 Adoption of the revised Financial Regulations and Financial Procedures is essential to the effective operation and decision making process of the Authority and form part of the governance framework. The Chief Finance Officer is responsible for reporting, where appropriate, breaches of the financial regulations to the Authority.

6. Human Rights, Equalities, Health and Safety

6.1 There are no implications arising from this report.

7. External Consultees

7.1 There were no external Consultees.

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Appendices 1. Financial Regulations (February 2013)
2. Financial Procedures (February 2013)

SDNPA Consultees Chief Executive Officer, Director of Corporate Services, Director of Planning, Director of Operations, Director of Strategy and Partnerships, Monitoring Officer & Legal Services.

Background Documents Financial Regulations and Procedures