

## REPORT OF THE FINANCE MANAGER

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### **SUBJECT: FINANCIAL STANDARDS UPDATE**

The Authority's Financial Standards are reviewed on a four yearly cycle and this Report request members to approve the updated Standards. The Financial Standards provide a Financial Framework in which the Authority can operate and ensures that:

- Legislation is complied with.
- The assets of the Authority are safeguarded.
- The funds available are spent and controlled efficiently.
- Liabilities are met
- Best value is achieved

The updates reflect changes in Authority structures, both personnel shifts in job responsibilities & committees, changes in authority policies and changes in government legislation. The other main changes are in paragraphs 72 regarding changes in procurement guidelines & 78 (leases, grants and licences)

### **Recommendation:**

**Members are invited to approve the Financial Standards.**

*For further information on this report, please contact Mr Richard Griffiths (Finance Manager)*

***Pembrokeshire Coast  
National Park Authority***



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# **FINANCIAL STANDARDS**

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## **FINANCIAL STANDARDS**

	Page
1. Introduction	3
2. Responsibilities	3
3. Accounting	5
4. Budgeting/Reporting	5
5. Payroll	8
6. Travelling & Subsistence	9
7. Contracts, Ordering, Purchasing	11
8. Payment of Accounts	14
9. Advance Accounts (Petty Cash/Floats)	15
10. Cashflow, Investments, Income and Banking	15
11. Personal use of Facilities	17
12. Stores, Stocks & Inventories	18
13. Audit & Inspection	18
14. Assets, Information & Insurance	19
15. Gifts, Loans, Sponsorship & Declaration of Interests	21
16. Suspension of Financial Standards	22
17. Amendment/Updating of Financial Standards	22
18. Code of Conduct	23
19. Contacts	23

## INTRODUCTION

1. The purpose of these Financial Standards is to provide a financial framework within which Pembrokeshire Coast National Park Authority (the Authority) can operate. This will assist the Authority in ensuring that:
  - Legislation is complied with.
  - The assets of the Authority are safeguarded.
  - The funds available are spent wisely and efficiently.
  - Appropriate income generation is undertaken.
  - Best value is achieved.
2. The Financial Standards apply across the Authority; to Members; Committees; working groups/panels; staff; volunteers, and they support the Authority's Standing Orders, Terms of Reference, Delegations to Officers, Codes of Conduct and other Authority-wide policies.

## RESPONSIBILITIES

The following reflect responsibilities arising from these Financial Standards and are not necessarily a list of the Committee's/individual's full range of responsibilities:

3. The National Park Authority (NPA) is responsible for setting the annual budget, for approving the annual Statement of Accounts, and for approving financial policies/strategies etc.
4. The Audit & Corporate Services Review Committee is responsible for monitoring budgetary performance and finance related activities, and reviewing the outcomes of internal and external audits.
5. The Chief Executive (National Park Officer) is responsible for ensuring the policies and decisions of the Authority are implemented by the effective deployment of its resources, and for ensuring that the Authority acts only within its statutory powers, with funds spent in achieving its purposes. This includes responsibility for operational financial activities, and the financial implications of operational decisions. For the purposes of these Financial Standards, the Chief Executive may also determine to fulfil the responsibilities of Directors in their absence.
6. The Directors are responsible for the overall performance of their respective services, ensuring compliance with these Financial Standards by those services.
7. The Chief Financial Officer carries legal obligations under Section 151 of the Local Government Act 1972 and under other legislation as in force. As such, the Chief Financial Officer is responsible for:
  - Working in accordance with CIPFA's "Role of the Finance Director".
  - Advising as necessary on corporate financial issues.
  - Ensuring a clear framework for the financial management of the Authority's activities and for ensuring that arrangements for proper financial administration are in place.

- Ensuring compliance with the Statutory Regulations and Codes of Practice.
  - Ensuring generally that the Authority undertakes no illegal financial actions.
  - Ensuring that, as a custodian of public money, the Authority accounts for its financial activities in an honest and trustworthy manner, in accordance with accepted accounting practices.
8. In determining arrangements and procedures in respect of the provision of services and carrying out functions for which they are responsible each Director and or the Chief Executive shall ensure sound principles of internal control are applied to achieve business objectives and targets and to prevent and detect fraud and irregularities, to the satisfaction of the Chief Financial Officer. Where requested, such Directors shall provide the Chief Financial Officer with statements as to the assurance that can be placed upon the internal control environment they have put in place. The Chief Financial Officer is responsible for ensuring a review of the effectiveness of the system of internal control is carried out in accordance with any regulations or legislation leading to the production of the Statement on Internal Control and shall receive full support and explanations as necessary from all Departments and Members for this purpose.
  9. The Chief Financial Officer, who must be suitably qualified, shall be given access to any information as is deemed necessary in meeting his/her responsibilities.
  10. The Finance Manager reports to the Chief Executive within the Authority's line management structure.
  11. The Chief Financial Officer will be recognised as "Head of Profession" and will be responsible for giving advice on, and having systems in place to monitor, the standards of financial management and administration throughout the Authority.
  12. The Chief Financial Officer is responsible for ensuring adequate resources are in place for the Authority's financial activities to be undertaken effectively and efficiently. The Chief Executive is responsible for preparing the National Park Corporate Improvement Plan.
  13. The Finance Manager reports to the Senior Management Team on financial matters and is the nominated line-manager for the Finance Team.
  14. The Finance Manager is responsible for:
    - a. Ensuring that systems and procedures are in place to process financial transactions efficiently and effectively, in line with recognised good practice.
    - b. Closing the accounts and preparing the statement of accounts annually.
    - c. Reporting on capital and revenue budgets, budgetary performance and advising management on bids for additional funding.
    - d. Maintaining a master list of authorised signatories.
    - e. Maintaining appropriate insurance cover.
    - f. All other core finance related services.
    - g. Maintaining policies for Anti-Fraud & Bribery (including Register of Gifts & Hospitality); 'Whistle-blowing';
  15. The Monitoring Officer is responsible, under the Local Government & Housing Act 1989, for reporting to Members if any decision, proposed decision, or omission has given rise or is likely to give rise to a contravention of law or code of practice or

any maladministration or injustice. The Monitoring Officer is also responsible for Register of Interests; and for reporting on relevant Codes of Conduct.

16. The posts of Chief Financial Officer and Monitoring Officer cannot be held by the same officer.
17. The posts of Chief Executive and Chief Financial Officer cannot be held by the same officer.
18. The Estates Officer is responsible for maintaining a terrier of all land and property holdings, valuations and for advising on and implementing Asset Management Planning.
19. A Team Leader/Line Manager is responsible for all budgets associated with their service area, which may be delegated specifically to the Team Leader/Line Manager or to nominated Budget Managers within the team.
20. A Budget Manager is an officer who has been delegated responsibility to manage a budget relating to a specific service.
21. The Administration and Democratic Services Manager is responsible for incoming and outgoing post arrangements at the Authority's headquarters.
22. The Personnel Manager is responsible for ensuring that appropriate checks are made as part of the recruitment of new staff working with cash/finances.

## **ACCOUNTING**

23. All accounting procedures and supporting records of the Authority and its officers shall be determined by the Chief Financial Officer and shall comply with relevant local authority accounting standards and regulations.
24. As far as is practical, the Chief Financial Officer shall ensure the separation of accounting duties within the Finance and other teams within the authority.
25. Ledger accounts shall be structured to facilitate management reporting and the production of the Statement of Accounts and other statutory accounting statements.
26. The Authority's budget coding structure will comply with the Chartered Institute of Public Finance & Accountancy's (CIPFA's) relevant accounting codes of practice, accounting standards and statements of recommended practice.
27. Separate nominal ledger and control accounts shall be maintained to ensure accurate and meaningful recording of the authority's financial activities.

## **BUDGETING/REPORTING**

**By 1<sup>st</sup> April**

28. The detailed approved annual budget for the new financial year shall be issued to Budget Managers.
29. Revenue Actual (RA) Returns for the new financial year shall be submitted to Welsh Government.

### **By 30<sup>th</sup> June**

30. The Draft Statement of Accounts shall be authorised for release by the Chief Financial Officer and then forwarded to the Wales Audit Office. (This is subject to potential changes in the Accounting & Audit Regulations which may require earlier reporting deadlines)

### **By 31<sup>st</sup> July**

31. The Revenue Out-turn (RO) Report for the preceding financial year shall be returned to Welsh Government.

The Whole of Government Accounts are to be submitted to the Welsh Government.

### **By 30<sup>th</sup> September**

32. The WAO ISO 260 shall be presented to the Authority and Final Financial Statement Approved.

### **By 30<sup>th</sup> November**

33. The Authority's audited accounts shall be submitted to Welsh Government.

### **By 31<sup>st</sup> January**

34. A draft budget shall be submitted for the Authority's consideration, consisting of baseline commitments and budgetary options as determined by the Chief Executive and Senior Core Management Team, in accordance with the Budget Strategy.

### **By 14<sup>th</sup> February**

35. Following approval of the Authority's budget, a levy shall be raised against Pembrokeshire County Council.

### **Monthly**

36. Detailed budget reports shall be issued to Budget Managers, with Summary Reports issued to Directors and Management Team. Finance Manager shall present a report on the year to date financial position to Core Management Team.

### **Quarterly**

37. Budget Performance Reports at summary level shall be submitted to Audit & Corporate Services Review Committee.
38. The structure of the accounts shall be in accordance with the "Accounting" Standards identified.
39. The Authority's draft net budget will not exceed the funding limitations set by Welsh Government in its National Park Grant notification letter, and compliance

with any other conditions/priorities identified in the letter must be specifically addressed within the Budget Report presented for the Authority's approval.

40. Any proposals to increase expenditure during the year shall identify funding sources in terms of savings elsewhere, drawing on any contingency balance or specific reserve, revenue financing of capital expenditure, capital receipts, locally generated income, service specific grants, or borrowing.
41. Budgetary virement parameters shall be:
- Up to £2,000 – by agreement between the Budget Manager/Team Leader and Finance Manager.
  - Up to £20,000 – by agreement between the Chief Executive and Chief Financial Officer.
  - Over £20,000 – by specific approval of the Chief Financial Officer and Audit & Corporate Service Review Committee or NPA.
  - The Audit & Corporate Services Review Committee or NPA may, for an identified period and reason, amend these limits.
42. Budget Holders are authorised to commit expenditure in their budgets in accordance with the following limits:

	<b><u>Recommended</u></b>	<b><u>Approval</u></b>
Invoices / Credit Notes		
Up to £10,000		Budget Holder
Up to £25,000	Budget Holder	Head of Service
Up to £50,000	Head of Service	Director
Over £50,000	Director	Chief Executive
Purchase Card Payments		
Up to £2,000	Card Holder	Team Leader
Up to £5,000	Card Holder	Team Leader / Finance Manager

Advice on budget management is available from the Finance Manager.

43. It is important for the Authority to maximise opportunities offered by external grant aid, but the impact of the resultant additional commitments must be identified before a grant is accepted. Grant Notification procedure requires that the Finance Manager is consulted prior to formally accepting any new grant funding. As it will be necessary to amend the Authority's budgets, the virement parameters will apply if the grant does not cover 100% of the related expenditure. This also applies if there are longer-term financial implications for the Authority. Even if the grant does cover 100% of the related expenditure and there are no longer-term financial implications for the Authority, the relevant Director should consult with the Finance Manager prior to accepting the offer.
44. Budget Managers must keep the Finance Manager informed of any potential overspends or under spends and also inform the relevant Director of any issue that is likely have a significant impact on the Authority's budget. The Finance



Manager will draw budget holder's attention to budget variances in excess of £5,000.

45. Budget Managers are required to formally acknowledge they have reviewed their budgets by completing the Quarterly Budgetary Monitoring Report noting any items to be identified and returning it to Finance Department.
46. The Finance Manager shall maintain Revenue and Capital budgets on a 3-year rolling cycle in support of the Authority's Corporate Plan and National Park Grant Bid documents.

## **PAYROLL**

The Finance Manager will ensure that a secure, efficient and reliable system is in place to process the payroll and associated transactions, ensuring that payments are made correctly and on the due date.

47. It is the responsibility of the Finance Manger to ensure there is in place provision of a payroll service. The Payroll Manager is responsible for day-to-day payroll administration and will ensure that data is entered correctly, in accordance with written authorised instructions and/or expenses/allowances claim forms. This includes administration of Income Tax, National Insurance, Sickness, Superannuation and other applicable deductions/contributions.
48. The Finance Manager is responsible for ensuring that payroll inputs and outputs are reconciled and for authorising changes to the master files: starters/leavers/personal details. The Finance Manager will ensure that procedures are maintained covering all key elements of the payroll process, supporting the Authority's policy/strategies.
49. The Personnel Manager is responsible for instructing the Payroll Manager on:
  - Appointments – details/conditions of employment.
  - Post specific salary scales.
  - Employee salary spinal column point (SCP) – verified/updated annually.
  - Terminations of employment through dismissal or resignation.
  - Retirement – natural, ill-health, early.
  - Suspensions, secondments and transfers.
  - Changes to conditions of service.
  - Amendments to contracts of employment, for example for unpaid leave or maternity leave.
50. Recruitment, selection and appointment of staff must be in accordance with the Authority's agreed policies and practices, and can only be carried out if adequate budgetary provision has been approved.
51. It is the responsibility of Team Leaders/Line-Managers to ensure that employees work the hours for which they are paid. Team Leaders/Line Managers are responsible for maintaining absence records and ensuring their staff work in according with E.U. Working Time Directives. For employees working variable

hours outside of the flexi-system (e.g. seasonal site attendants), authorised timesheets must be submitted on a monthly basis in accordance with procedures set by the Payroll Manager. Staff working above their contracted hours may complete an overtime form for payment or time-off-in-lieu, subject to budget constraints and approved by the relevant Director and Team Leader.

52. Travel and Subsistence claims must be authorised and submitted on a monthly basis in accordance with procedures set by the Finance Manager.
53. Other expense reimbursement claims may be processed via the Payroll system in accordance with documented procedures. For payments where there are no NI/taxable-benefit implications, the Finance Manager may, at his/her discretion, authorise payments to staff via the Creditors system or below £25 through Petty Cash.
54. It is the joint responsibility of the Director, Team Leader, Personnel Manager and Payroll Manager to ensure that payments are only authorised to bona fide employees and that payments are only made where there is a valid entitlement.
55. Employee names listed on the payroll shall be checked by the Payroll Manager once a year with Team Leaders to verify accuracy and completeness.
56. Appointing officers may find a potential employee declaring themselves to be self-employed. Under such circumstances, the officer should refer to the 'Self-Employed Guidance Notes' held by the Payroll Manager, and use the 'Self Employed Individual' form if deemed appropriate. The Finance Manager will consider each case and decide on the employment status with reference to H.M.R.C. guidelines.
57. No employee/Member of the Authority shall be awarded a contract to carry out services or supply goods to the Authority without the consent of the relevant service Director. All such contracts shall be logged in the 'Register of Interests' by the relevant Director and employee, and shall be reviewed annually and signed-off by the Chief Executive.
58. Salary payments shall normally be paid via BACS into the employee's bank account. Exceptionally, advances of pay may be provided on approval of the Finance Manager and relevant Director, subject to accounting for such advances in the next pay run.

## **TRAVELLING & SUBSISTENCE**

59. All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted, duly certified, in a form approved by the Chief Financial Officer. Such claims shall be made up to and including the last day of the month and shall be submitted by the date identified by the Payroll Manager, for payment one month in arrears.
60. The rates paid will not exceed the maximum rates adopted by the Authority.

61. A claim for business miles must be supported by a valid and appropriate fuel VAT receipt. For example a VAT receipt dated any day in April can be used to cover the whole of the month of April but may not be used for a March claim. A receipt dated in March may be sufficient to cover fuel claimed for in April. The receipt value should reasonably cover the amount of mileage claimed for.
62. Only mileage undertaken and expenses incurred on official Authority business shall be claimable for reimbursement. The most direct appropriate route must be travelled. Normal home/work/home mileage cannot be claimed where officers have a fixed base. The mileage claimed will be in accordance with H.M.R.C. guidelines and the Authority's Green Travel policies.
63. Exceptionally, subsistence allowances may be increased on an individual basis, but only with the signed authorisation of the Chief Executive. Subsistence payments shall in accordance with the Authority's Subsistence and Expenses Allowance Scheme and where applicable, VAT receipts should be obtained. When receipts cannot be provided, payment is at the discretion of the Finance Manager and relevant Director. However, reimbursement can be made in full, up to the maximum allowances, for the following specific expenses *where it is not possible* to obtain a receipt: bridge tolls, car parking, bus travel, taxi fares, underground fares, rail journey buffet.
64. For approved travel outside of the UK, the Authority's normal maximum subsistence allowances may take into account higher prices in some foreign cities.
65. Where an officer is likely to incur a substantial amount of expenditure on travelling and subsistence on an occasional basis, a temporary advance may be applied for, subject to approval by the relevant Director and Finance Manager. When the completed claim is submitted, the temporary advance shall be deducted.
66. The detailed guidelines for staff travel procedures are contained in the Staff Travel Provisions 2010 Policy. All Travel & Subsistence claims must be authorised by an appropriate Team Leader/Line-Manager nominated to do so with only one month's claim submitted on each claim form. There is a requirement to enter employee's address and approved base on the Mileage Claim Form. Authorisation shall be taken to mean that the authorising officer is satisfied that the journeys were approved, the expenses properly and necessarily incurred and that the allowances are properly payable by the Authority in accordance with its approved scheme. It is the responsibility of authorising officers to review mileage claims and satisfy themselves that workloads and resultant journeys are being properly planned and undertaken. Likewise, periodically, the relevant Director should also randomly check travel and subsistence claims, countersigning them as evidence of having done so.
67. The Authority will not meet or contribute to the costs of any fines or other expenses associated with speeding or any other illegal activity, linked to journeys undertaken on Authority business.
68. It is the responsibility of the Finance Manager to ensure that all P11D benefits are reported to the H.M.R.C by the statutory deadline.

69. For employees/volunteers provided with an Authority vehicle, the following additional standards apply:
- a. The Authority has no obligation to provide its employees with home/work/home transport.
  - b. Before an employee is permitted drive vehicles on Authority business they shall show the Finance Officer their current driver's licence and insurance particulars. These will be review on a bi-annually thereafter.
  - c. Any subsequent amendments to the driving licence or insurance particulars should be brought to the attention of the Finance Officer.
  - d. The Technical Officer or relevant Finance Officer has the authority to request sight of a driver's licence at any time, providing at least two day's notice is given.
  - e. Unless under exceptional circumstances authority vehicles cannot be used for private purposes. However, private use incidental to the main purpose of the journey may be permissible under certain H.M.R.C approved circumstances. Specific advice on this is available from the Finance Manager.
  - f. Details of all journeys shall be logged using the required format.
  - g. Any damage suffered by the vehicle or caused to another vehicle shall be immediately reported to the Team Leader and Services/ Finance Officer.

## **CONTRACTS, ORDERING & PURCHASING**

70. Each Director shall ensure that responsibilities of individuals for ordering, checking, certifying and recording transactions against budget are clearly defined. Each Director should also ensure that all relevant standing orders/ procedures are adhered to.
71. The Authority shall maintain a Procurement Strategy and officers responsible for ordering goods and services shall comply with this Strategy. Consideration should be given at the appropriate procurement opportunity to the use of the Sell2Walesweb site, Welsh Purchase Cards Scheme, Sell2Wales Frameworks, Wales Procurement Policy Statement and any other Welsh Government procurement initiatives. The Authority will adopt Sustainable Procurement principles based upon the Welsh Government Public Sector Procurement framework. This will take into consideration social and environment factors alongside financial measurement and form the basis of evaluation during the procurement process.
72. Other than procurement from Sell2WalesFrameworks, supplies or services shall be selected as follows:
- a. Order below £10,000 ~ any supplier that is able to provide the Authority with best value in terms of supporting the Procurement Strategy. Officers should invite quotations from more than one supplier if considered appropriate.
  - b. Order value between £10,000 and £25,000 ~ selection shall be made in accordance with the "Quotations/Tenders Procedure".
  - c. Order value in excess of £25,000 ~ selection shall be made in accordance with "Contract Standing Orders".

73. The Authority may request expressions of interest in the form of a Pre Qualification Questionnaire (PQQ) which will be tailored to identify the particular skills required for each project, plus details of previous completed projects, experience, qualifications and "construction miles" or other relevant criteria. The PQQ will be advertised on the Sell2Wales website with responses requested by a specified date.
74. Officers shall also ensure that the selection and tendering process meets any conditions specified on grant-aided projects.
75. The above Standard 73 shall be suspended and overridden in the following two special circumstances:
  - a. "Emergency Works" – that is works undertaken to overcome the immediate high-risk of danger or loss to life or the Authority's assets or income – shall be expedited in the quickest possible manner. A report of any such works shall be submitted to the Finance Manager and relevant Director by the next working day.
  - b. Provided the Grant terms allow contracts dependent on time-limited funding may be awarded to a contractor appointed by the Authority for a different contract within the last 12 months, based on accepted tendered prices at that time, subject to industry inflation rates. This Standard can only be invoked if compliance with the normal Standards would result in funding being withdrawn due to the imposed time limitation. This Standard shall only be invoked with the specific written authorisation of the Chief Executive, based on a financial report of the implications of the decision.
76. Officers shall ensure that contractors are adequately insured and shall require the Contractor to complete a Contractor's Insurance Questionnaire, and agree a Risk Assessment where necessary.

77. The issuing of rentals / operating leases / licences / grant and sponsorships shall be subject to the following limits:

	<b>Recommended</b>	<b>Approval</b>
<b>Leases</b>		
Entering into any new or renewal freehold or lease interest in land or property.	Estates Officer / Chief Executive	NPA
<b>Licences</b>		
Total value licence under any one agreement up to £10,000.	Estates Officer	Any one member of the Core Management Team
Total value licence under any one agreement up to £20,000.	Head of Service or above	Chief Executive
Total value licence under any one agreement over £20,000.	Chief Executive	NPA
<b>Grant and Sponsorships</b>		
Total value Grant and Sponsorships under any one agreement up to £20,000.	Head of Service or above	Chief Executive
Total value Grant and Sponsorships under any one agreement over £20,000.	Chief Executive	NPA

78. With the exception of purchases through the Wales Purchase Card and those identified under Standard 83 a Purchase Order (PO) must be completed for every contract or order for goods or services placed by officers of the Authority. The PO has two main functions:

- a. To formally acknowledge that the Authority has entered into a contract and to then act as a guarantee to suppliers that payment will be made provided that order specifications are satisfied.
- b. To focus Budget Managers' attention on their spending commitments and to enter the commitment in the Authority's budget accounts.

79. The Finance Manager shall maintain appropriate procedures covering all purchases. Where feasible officers are encouraged to use electronic purchase orders via the Exchequer Accounting package.

80. Team Leaders shall determine who may authorise POs within their team.

81. POs must not be used by individuals to obtain goods and services for their private use. Whilst employees may purchase merchandise already stocked by the Authority, no goods may be ordered specifically for purchase by employees.

82. POs do not have to be completed for the following items:

- a. Petty cash.

- b. Standard electricity/gas/water/telephone payments.
  - c. Periodic payments such as rent and rates.
  - d. Renewal of annual subscriptions for publications.
83. Officers shall verify received goods/services against the PO to ensure that the order has been satisfactorily completed. Any issues of non-compliance shall be immediately raised with the supplier.
84. All staff using an authority purchase card do so subject to the conditions laid out in the Authority's Purchasing Card User Guide.

## **PAYMENT OF ACCOUNTS**

85. Payments shall only be made if approved by an authorised officer. The Finance Manager shall maintain a list of Authorised Signatories.
86. For invoices relating to goods/services and for 'proforma invoice' payments:
- a. The invoice shall be matched with the PO, where applicable.
  - b. The payment stamp, of a format determined by the Finance Manager, shall be applied.
  - c. The certifying officer shall verify the invoice against the PO – have the goods/services been received and are they satisfactory, are the amounts invoiced correct, is the arithmetic correct and have discounts been properly applied? The certifying officer shall also satisfy themselves that the invoice has not previously been paid.
  - d. The authorising officer shall confirm that the invoice has been properly certified and shall satisfy themselves that the goods/services are appropriate and the invoice can be paid. The authorising officer shall also be satisfied that appropriate arrangements are in place for entries to be made in inventories, stores records etc. as required.
  - e. For 'proforma invoice' payments, the authorising officer shall obtain a VAT Invoice from the supplier on receipt of the goods/services, where applicable. An officer shall not authorise both the PO and the Invoice relating to an order. Separate officers shall certify and authorise an invoice/manual payment proforma.
87. The Authority has an objective to pay all suppliers within 14 days of the receipt of all undisputed invoices, unless other arrangements are agreed with the supplier. It is the responsibility of all personnel involved with processing invoices to assist in ensuring this is achieved.
88. For payments without an invoice, a 'Manual Payment Request' form shall be completed. The onus remains with the authorising officer to satisfy themselves that the payment is legitimate, and it is their responsibility to obtain a VAT invoice where relevant, to be passed to Finance.
89. VAT shall be identified and accounted for as necessary and in compliance with H.M.R.C. requirements.

90. Upon receipt of an authorised invoice or Manual Payment Request form the Finance Manager is entitled to assume that the payment should be made. However, as the Finance Manager carries overall responsibility for ensuring appropriate and efficient arrangements for all payments, he/she shall be entitled to require any information or explanations deemed necessary to substantiate a transaction.
91. Where an overpayment arises, the Finance Manager shall take steps to recover the overpaid amount and shall inform the relevant Director of the overpayment in order that preventative action may be taken.
92. The Finance Manager shall determine the most appropriate method of payment in terms of petty cash, cheque, BACS, direct debit, electronic transfer, and shall maintain procedures for controlling these methods.

### **ADVANCE ACCOUNTS (PETTY CASH/FLOATS)**

93. The Finance Manager shall provide such cash floats and advance accounts as considered appropriate, in agreement with the relevant Director.
94. Cash floats shall be balanced daily.
95. Petty Cash accounts shall be balanced on submission of top-up claims and annually on the last day of the financial year. The annual balance shall be certified on a certificate provided by the Finance Manager. At all times, the approved Petty Cash account limit shall equal the value of receipts/approved expenditure plus the remaining cash balance.
96. Petty Cash accounts are to cover minor incidental expenditure only. Under no circumstances should salary payments or payment for other labour related services be paid by Petty Cash. Single payments exceeding £25 shall only be permitted with the Finance Manager's authorisation.
97. Petty Cash Balances held at various sites are subject to the following limits:

<b>Petty Cash Holdings</b>	<b>Recommended</b>	<b>Approval</b>
Up to £500	Centre Managers	Finance Manager

98. Petty Cash shall not be used for personal expenditure.

### **CASHFLOW, INVESTMENTS, INCOME & BANKING**

99. The Authority supports CIPFA's Code of Practice on Treasury Management and maintains an Investment Strategy and a "Treasury Management Policy & Management Practices" control procedure that determines cash management, borrowing and investment parameters. The Chief Financial Officer shall, on an annual basis and prior to the new financial year, review these and present them to the Authority for approval.



All staff shall immediately notify the Chief Financial Officer of any circumstances which may suggest the possibility of irregularity affecting cash, (including suspicions of money laundering), stores or other property of the Authority and if an irregularity is disclosed, the Chief Financial Officer shall take such steps as he/she considers necessary after consultation with such Chief Executive or Chief Officers as he/she deems appropriate. The Chief Financial Officer is the officer nominated to whom employees can notify 'suspicious transactions' which includes those with money laundering implications. The Chief Financial Officer will report appropriate cases to the National Fraud and Cyber Reporting Centre (replacing the Serious and Organised Crime Service in accord with their procedures for disclosure.

Banks, building societies and other financial institutions automatically report cash movements of £1,000 and above to the National Criminal Intelligence Service. In order to avoid the Authority being caught out by this reporting system and thus perceived to be at suspicion of assisting money laundering, we will restrict the amount of cash we accept as a single transaction to below £1000.

100. The Finance Manager shall maintain appropriate records and accounts of all Treasury Management transactions.
101. All arrangements concerning the operation of the Authority's bank accounts shall be made upon direction of the Chief Financial Officer or the Chief Executive, and they are authorised to open such subsidiary bank accounts as are necessary.
102. The Finance Manager shall ensure that there are safe and efficient arrangements in place for the control of and access to blank cheques, and the preparation, signing and despatch of cheques.
103. The Finance Manager shall ensure that reconciliation between bank statements and cash-books is carried out monthly and any differences are fully investigated and corrected as necessary.
104. The relevant Director shall make arrangements so that all sums due to the Authority are collected, held securely and banked promptly in accordance with the Authority's procedures. All income must be banked intact and payments should not be made from receipts.
105. All income arising from work using the Authority's assets, or the skills of Authority staff and Members that is directly linked to their work for the Authority, shall be credited to the Authority's accounts.
106. All cash reconciliation procedures shall be in agreement with the Finance Manager.
107. All postal income should be addressed to the Authority's headquarters.
108. All cheques received shall be made payable to Pembrokeshire Coast National Park Authority/Awdurdod Parc Cenedlaethol Arfordir Penfro.

109. Acceptance of Credit / Debit Cards and their associated support systems is subject to the approval of the Finance Manager.
110. All receipts issued for money received on behalf of the Authority shall be issued promptly and in a format approved by the Finance Manager.
111. Personal cheques shall not be cashed out of money held on behalf of the Authority.
112. The duties of providing information regarding sums due to the Authority and of calculating and recording these sums shall be separated as completely as possible from the duty of collecting them.
113. All claims for grant, estimates or forecasts shall be submitted to the Finance Manager before dispatch, and shall be verified against ledger actuals. The 'project' officer shall make note of grant cut-off dates to ensure that grant receipts are not put at risk.
114. Officers shall ensure that VAT is properly accounted for – advice is available from Finance staff regarding this.
115. Scales of charges for services and other income shall be reviewed annually by the Core Management Team and approved at least every three years by the relevant Committee. Charges shall be subject to VAT where applicable.
116. The relevant Director is responsible for ensuring that all amounts due to the Authority arising from services provided by their department are recorded and collected promptly. Wherever possible, income should be collected at the time of the transaction.
117. The Finance Manager shall maintain a Debtors Control procedure, and where income cannot be collected immediately an instruction to raise a Debtors Invoice shall be passed to the Finance Team, or shall be raised locally if such a procedure has been approved by the Finance Manager.
118. Credit notes shall only be issued to correct a factual inaccuracy or administrative error in the calculation and billing of the original debt.
119. A debt can only be written off with authorisation from the Finance Manager if valued £1,000 or under, and with authorisation from the Chief Executive Officer if valued above £1,000.

## **PERSONAL USE OF FACILITIES**

120. Approved personal uses of the Authority's assets are limited to:
  - a. Telephone calls on mobile or office phones, faxes, printing and photocopying – subject to reimbursement at rates identified by the Finance Manager.
  - b. ICT equipment – all staff are able to access some ICT equipment for part of their working day, and a reasonable, limited amount of use is tolerated. The personal use should be in staff's own time and at no cost to the Authority.

- c. Purposes identified in any procedure supporting these Financial Standards, subject to the approval of the Finance Manager.  
The personal use of plant and equipment other than those identified above requires prior approval of the relevant Director.

## **STOCKS, STORES & INVENTORIES**

121. Each Director shall be responsible for the arrangements for stock control within their service area, where applicable.
122. Stores records shall be kept in a form approved by the Finance Manager.
123. Stocks shall not be in excess of annual requirements, except in special circumstances approved by the Director and Finance Manager.
124. A complete stock check shall be carried out annually. Significant variations to expected stock levels shall be investigated and reported to the Finance Manager and Director.
125. Stocks deemed to be surplus, or to be written off for other reasons, shall be controlled via the procedure for “Disposal of Surplus Assets”.
126. Directors shall ensure that inventory schedules are regularly maintained of equipment not listed in the Asset Register. This applies to items over £100 and may include hand tools, equipment kept in vehicles, office equipment etc.

## **AUDIT & INSPECTION**

127. All services of the Authority shall be subject to audit reviews and investigations. This not only assists the Chief Financial Officer in meeting the statutory responsibilities of the post, but also provides Members and managers with an objective view of the standard of financial management and administration and general performance.
128. The Authority is subject to external audit of its accounts, returns and performance plans, by the Wales Audit Office. It is the responsibility of the Finance Manager to ensure an annual internal audit is also undertaken. The Authority may also be inspected by various other external auditors and inspectors – for example, H.M.R.C etc. It is the responsibility of the relevant Director to ensure that all necessary assistance is provided to such auditors/inspectors.
129. The Chief Financial Officer is responsible for ensuring an adequate and effective ongoing internal audit of the Authority’s financial affairs, including value for money reviews, and will ensure that an Audit Plan is produced for each financial year.
130. For audit purposes, and subject to any legal constraints, the Chief Financial Officer and audit staff shall have access to all assets, property, staff and records of the Authority.

131. A formal Audit Report shall be produced at the conclusion of each audit and, following agreement of actions, shall be presented to the National Park Authority or Audit & Corporate Services Review Committee for approval.
132. The Chief Financial Officer is responsible for ensuring that audit action plans are implemented.
133. The Authority shall maintain proper controls to ensure secure and reliable operation of systems and the prevention, detection, reporting and investigation of any irregularity or fraud. A key element of this is the maintenance of a 'Whistle-blowing' procedure and Anti-Fraud & Corruption Policy.

## **ASSETS/INFORMATION/INSURANCE**

134. Each Director is responsible for ensuring that adequate and effective arrangements are operated for the care and custody of all Authority assets and property within their control, and that their use is properly authorised and controlled. This shall include adequate and effective security measures to prevent loss, and procedures to minimise damage and vulnerability of Authority assets.
135. The Administration and Democratic Services Manager shall maintain procedures for the secure opening of incoming mail and handling cash and private/confidential correspondence. Post shall be opened with at least two members of staff present. Similarly, procedures shall be maintained for outgoing post – to be collected by the Post Office (franked) or taken to other mail organisations safely and securely.
136. Site Managers/Team Leaders shall be responsible for incoming/outgoing post arrangements at their respective sites.
137. Maximum limits for cash holdings shall be agreed / amended with the Finance Manager.
138. The Finance Department shall maintain appropriate records and inventories of stock and fixed assets including equipment, and shall arrange physical checks at least annually against the relevant records. Any significant variation shall be investigated and reported to the Finance Manager and, if necessary, to the Authority's internal auditors.
139. All items with a useful life in excess of one year and costing or valued at over £10,000 will be reflected in the Authority's balance sheet as fixed assets. .
140. The Finance Manager shall ensure that a fixed asset register is maintained.
141. Expenditure on buildings purchase/enhancement exceeding £10,000 and on land purchase shall be treated as capital expenditure. An enhancement extends the useful life, increases open market value, or substantially increases the use that the Authority can put the property to. Maintenance costs shall not be capitalised as they are incurred on a routine basis to maintain a property at its current value, with little element of improvement, but mainly replacement.

142. The following depreciation rates shall be employed on a straight line basis:
- a. Land none.
  - b. Buildings over 25 years or the useful life of the asset as determined under the Asset Valuation Report.
  - c. Car parks 50% over 25 years.
  - d. Plant and machinery over 10 years.
  - e. IT Equipment over 4 years.
  - f. Vehicles and other equipment over 5 years.
  - g. Unless alternative life-spans are identified.
143. Depreciation will not be charged in the year of purchase, but will be charged fully in each subsequent year, including the year of disposal. It shall be assumed that the residual value of all assets will be £1, unless specifically stated otherwise.
144. The Finance Manager and Estates officer shall ensure that all land/buildings are re-valued under a 5-year rolling programme in accordance with local authority accounting standards.
145. The Finance Manager shall apply to service accounts an annual capital charge reflecting depreciation charges on capital assets employed by the service.
146. The Chief Financial Officer shall ensure that the Authority maintains the appropriate reserves accounts as required by local authority accounting standards.
147. The Estates Officer shall maintain a terrier of all properties owned, leased and licensed by and to the Authority. Such terrier system shall include full details regarding acquisition, location, purpose held and other aspects of ownership.
148. The Estates Officer shall ensure custody of all title deeds under secure arrangements.
149. The Finance Manager and Estates Officer shall ensure that the Authority is aware of its responsibilities for Asset Management Planning.
150. The Finance Manager shall maintain a procedure for 'Disposal of Surplus Assets'.
151. Disposal of assets are subject to the following limits:

	<b>Recommended</b>	<b>Approval</b>
Asset Disposal / Write off with a book or market value		
Up to £1,000	Budget Holder	Finance Officer
Up to £10,000	Finance Manager	Chief Executive
Over £10,000	Chief Executive	NPA

Receipts below £10,000 may be credited direct to the revenue account.

152. All employees of the Authority have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive, or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Authority in some way.
153. It is the responsibility of the I T Manager to ensure that all systems are properly registered and operated in accordance with requirements of the Data Protection Act. It is the responsibility of all Team Leaders to understand the broad requirements of the Data Protection Act and to ensure that the Business & Performance Manager is aware of any systems used for data storage.
154. The Finance Manager shall ensure that appropriate insurance policies are in place to cover the work of the Authority, although the Authority may determine to 'self-insure' for certain risks.
155. The Finance Manager shall maintain correspondence logs for all insurance arrangements and issues.
156. The relevant Director is required to provide a schedule of service specific risks. Risks should be re-evaluated at least annually or in line with any significant changes to the service or on-going projects.
157. Officers shall give prompt notification to the Finance Manager of any new risks, properties, equipment or other assets or liabilities for which insurance may be required, and of any changes affecting existing risks.
158. Officers shall notify the Finance Manager in writing of any loss, liability or damage or any event likely to lead to a claim, and shall provide information and explanations required by the Finance Manager or the Authority's insurers.
159. Financial records, vouchers and documents shall be preserved for 7 years following the end of the financial year to which they relate. However, if the Authority receives EU funding, all records shall be preserved for 7 years, or the length of time as determined by the specific program rules, following the end of the European Programme from which funding was received. Financial Ledgers, Superannuation Records and Insurance Records shall be permanently retained.
160. The Finance Manager shall ensure a suitable environment to protect records from deterioration and damage and organised to facilitate retrieval.
161. Appropriate arrangements shall be made by Head of Service or equivalent for disposal of confidential records.

## **GIFTS, LOANS, SPONSORSHIP and DECLARATION OF INTERESTS**

162. Gifts to the Authority of money and gifts or loans of other property may be accepted if they will enable the Authority to enhance or extend the service it would normally provide. Such gifts, loans or sponsorship may be accepted from any

source which has genuine and well intentioned reasons for wishing to support specific projects.

163. However, there are some cases where the acceptance of gifts, loans or sponsorship may be inappropriate – such as to influence the direction of a particular policy or operation. In such circumstances, the offer shall be politely declined and the Chief Executive shall be informed in writing.
164. Any ‘free gifts’ linked to orders placed by the Authority or gifts received from suppliers/contractors used by the Authority that do not carry conditions or implications of influence, shall be placed in the ownership of the Authority. Low value items such as diaries, pens, stationery may be retained by the receiving officer on approval from their Team Leader.
165. The Gifts/Hospitality Register, held in the Chief Executive’s office, shall be completed by the receiving officer for all received gifts, loans and sponsorship other than the low value items identified above.
166. Gifts provided by the Authority shall also be recorded in the Gifts/Hospitality Register or on site based stock records if the gift is sourced from the Authority’s merchandise stock.
167. The Monitoring Officer shall maintain procedures for the declaration of interests, in support of legislative requirements. Any interests of Members or staff that may be linked to the work of the Authority or the decisions made by the Authority shall be declared and recorded in the appropriate Register of Interests held by the Chief Executive’s office.

## **SUSPENSION OF FINANCIAL STANDARDS**

168. Any recommendation or intended action for a specific purpose, by an officer or Member of the Authority, which would breach these Financial Standards will require such fact to be specifically brought to the attention of the Chief Executive and Chief Financial Officer for consideration for approval. Any such approval to suspend Financial Standards shall be recorded and shall be reported to the next meeting of the NPA for endorsement.

## **AMENDMENT/UPDATING OF FINANCIAL STANDARDS**

169. From time to time it may be necessary to amend/update these Financial Standards. Cosmetic amendments, and those that do not materially change the requirements of these Standards, may be made subject to the approval of the Chief Executive and Chief Financial Officer. Any other amendments/updates would be subject to approval of the NPA. The current version of these Financial Standards shall be issued to Members, the Management Team, the Monitoring Officer, the Chief Financial Officer, Team Leaders, Budget Managers and Finance staff. The current version shall also be retrievable from the Authority’s intranet and internet.

## CODE OF CONDUCT

170. All employees are required to comply with the Authority's Code of Conduct relating to employees. This includes the requirement to make declarations in respect of outside employment, employees' personal interest and offers or receipt of gifts or hospitality. Details of procedures are included in the Employees' Handbook and related Declaration forms. Directors are responsible for ensuring that appropriate procedures are in place to make employees aware of the requirements for employee declarations and appropriate procedures for employees to make such declarations. (These are made available on the intranet though Directors should ensure those not able to use the intranet are able to access in other ways). It is good practice to implement periodic e.g. annual reminders regarding declarations.

## CONTACTS

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