



Financial Regulations for the
Cairngorms National Park Authority (CNPA)
(updated 25 January 2019)

FOREWORD

To conduct its business effectively, an organisation needs to ensure that it has sound financial management systems in place and that they are strictly followed. Part of this process is the establishment of financial regulations and procedures which set out the financial policies of the organisation.

Financial regulations make good business sense. The Financial Memorandum between our Sponsoring Department within Scottish Government, the Natural Resources Division, Environment & Forestry Directorate, and the Park Authority makes it a condition of grant-in-aid that the Park Authority ensures that it has a sound system of internal financial management and control. Financial regulations and procedures are a core component of such a system. Similarly, both the Internal and External Auditors are required to give an assurance that we have fully documented financial procedures in place.

This set of Financial Regulations will continue to evolve as the Authority matures. Twice-yearly, additions and amendments will be consolidated into the manual and all staff advised. If you have any suggestions for additions, changes or clarification please advise either the Finance Manager or myself.

David Cameron

Director of Corporate Services

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TERMINOLOGY

The following general terms have been used in this guide.

AUDIT AND RISK COMMITTEE

A committee, independent of executive responsibility and the Management Team, which advises the Board on issues related to internal audit, external audit and financial control. It receives reports from both the internal and external auditors and reports annually to the full Board.

BOARD

The Authority's governing body is the Board comprising 19 members (7 members directly appointed by Scottish Ministers, 7 members appointed by Scottish Ministers following nomination by local authorities in the area; and 5 members elected by a postal ballot of the local electorate).

BUDGET HOLDER

A member of staff who has been assigned their own budget. They are accountable for their management of the budget and for expenditure undertaken, either to their immediate Head of Service, or ultimately to the Management Team.

CORPORATE PLAN

A document that reflects the Park Authority's statutory duties, including priorities set from time to time by Scottish Ministers. It sets out the Park Authority's key objectives and performance targets for the coming years as well as reviewing the Authority's performance in the preceding years. This is formally adopted by the CNPA Board and the Natural Resources Division, Environment & Forestry Directorate of the Scottish Government.

FINANCE AND DELIVERY COMMITTEE

A committee, independent of executive responsibility, with delegated responsibility for financial matters.

FUNDING BODY

The Park Authority receives Grant-in-Aid funding from the Natural Resources Division, Environment & Forestry Directorate, of the Scottish Government.

MANAGEMENT TEAM

The Management Team consists of the Chief Executive and three directors (Director of Corporate Services, Director of Conservation and Visitor Experience, and Director of Planning and Rural Development) and generally meets fortnightly.

NON-DEPARTMENTAL PUBLIC BODY (NDPB)

The Park Authority is an Executive NDPB.

OPERATIONAL PLAN

This sets out in detail key targets and milestones for the current year. It is derived from, and should be consistent with, objectives and performance targets set out in the Corporate Plan.

SPONSORING DEPARTMENT

For the Park Authority this is the Natural Resources Division, Environment & Forestry Directorate, Scottish Government.

Each NDPB has a Sponsoring Directorate within Scottish Government, with which it liaises closely and communicates with Ministers through. Ministers and the Sponsoring Directorate will set broad policy objectives and frameworks within which the CNPA is expected to operate.

FINANCIAL REGULATIONS AND PROCEDURES

A GENERAL PROVISIONS

I Background

- I.1** The Park Authority is an Executive NDPB. Its statutory responsibilities and functions are set out in the National Parks (Scotland) Act 2000. The Park Authority is accountable to its Sponsoring Directorate who, in turn, is accountable to Scottish Ministers.
- I.2** The Financial Memorandum between Natural Resources Division, Environment & Forestry Directorate and the Park Authority sets out the terms and conditions on which grant is made. The governing body is responsible for ensuring that conditions of grant are met. As part of this process, the Park Authority must adhere to the funding body's audit code of practice, which requires it to have sound systems of financial and management control. The financial regulations of the Park Authority form part of this overall system of accountability.
- I.3** The Financial Memorandum specifically directs the Park Authority to satisfy the requirements contained in the Scottish Public Finance Manual and other conditions as the Scottish Ministers or Sponsor Directorate may impose.

2 Status of Financial Regulations

- 2.1** This document sets out the Park Authority's financial regulations and procedures.

It translates into practical guidance the Park Authority's broad policies relating to financial control. This document was originally approved by the Audit Committee in August 2005. It applies to all work undertaken by any part of the Park Authority.

2.2 These financial regulations are subordinate to the Park Authority's founding legislation and to any restrictions contained within the Park Authority's Financial Memorandum. A copy is available from Finance for review.

2.3 The purpose of these financial regulations is to provide control over the totality of the Park Authority's resources and provide the Management Team and the Board with assurances that the resources are being properly applied for the achievement of the Park Authority's aims:

2.4 In meeting the above aims the Park Authority needs to ensure it meets its obligations regarding:

- financial viability;
- achieving value for money and securing best value;
- fulfilling its responsibility for the provision of effective financial controls over the use of public funds;
- ensuring that the Park Authority complies with all relevant legislation; and
- safeguarding the assets of the Park Authority.

2.5 Compliance with the financial regulations is compulsory for all staff connected with the Park Authority. A member of staff who fails to comply with the financial

regulations may be subject to disciplinary action under the Park Authority's disciplinary policy. The Board will be notified of any such breach through the Audit and Risk Committee. It is the responsibility of the Directors, and in turn Heads of Service, to ensure that staff are made aware of the existence and content of the Park Authority's financial regulations. The Finance staff, within Corporate Services, are available to support this process.

2.6 The Audit and Risk Committee is responsible for maintaining a continuous review of the financial regulations, through the Director of Corporate Services, and for advising the Board of any additions or changes necessary.

2.7 Any departures from the detailed provisions shall be reported to the Board at the earliest opportunity.

2.8 The Park Authority's detailed financial procedures set out precisely how these regulations will be implemented and are contained in the appendices.

B CORPORATE GOVERNANCE

3 The Board

3.1 The Board has corporate responsibility for ensuring the Park Authority fulfils the aims and objectives set by the Scottish Ministers and for promoting the efficient and effective use of staff and other resources of the Authority in accordance with the principles of Best Value. To this end, and in pursuit of its wider corporate responsibilities, the Board shall:

- a) establish the overall direction of the Park Authority;
- b) keep Scottish Ministers informed of any changes that are likely to impact on the strategic direction of the Park Authority or on the attainability of targets;
- c) receive and review regular financial information concerning the management of the Park Authority;
- d) demonstrate high standards of Corporate Governance at all times; provide commitment and leadership in the development and promotion of Best Value principles throughout the Park Authority; and
- e) appoint, with the Scottish Minister's approval, a Chief Executive and set performance objectives and remuneration terms which give due weight to both the proper management of public monies and to the delivery of outcomes in line with Scottish Minister's priorities.

4 Committee Structure

- 4.1** The Board has ultimate responsibility for the Park Authority's finances. The Board delegates specific powers and processes to the committees and Executive Officers detailed below. These committees are accountable to the Board and their remits set out below were reviewed by the Board meeting on September 2013.
- Committees' memberships, chairmanship and remit are reviewed annually (in September).

4.2 Finance and Delivery Committee (6 members, quorum 3)

The Finance and Delivery Committee's remit includes:

- a) overseeing the preparation of the annual budget;
- b) overseeing the preparation of the Corporate Plan and seeking approval of the whole Board prior to submission to Scottish Ministers;
- c) monitoring income and expenditure during the year against budget, seeking to ensure use of available annual resources is maximised;
- d) taking oversight on behalf of the Board of delivery against Corporate and Operational Plans, including review of development, implementation and reporting of performance management systems
- e) reviewing initial design and planned outcomes of key projects, ensuring project initiation plans are appropriate to contribute to delivery of the Authority's corporate objectives; and
- f) considering project implementation reviews and to determine what lessons for improvement in project design and delivery may be applied from findings of such reviews to future projects.

Staff in attendance: by Chief Executive [non-voting], Corporate Services

Director [non-voting], Finance Manager [non-voting].

4.3 Audit and Risk Committee (6 members, quorum 3)

The Audit Committee's remit includes:

- a) agreeing the appointment of the internal auditor;
- b) overseeing and monitoring the development of the Park Authority's internal

audit plan (in accordance with the Scottish Public Finance Manual;

- c) receiving and considering reports by the internal auditor; review the adequacy of management responses to issues identified by audit activity, and to review arrangements for monitoring implementation of agreed recommendations;
- d) monitoring the adequacy of the Park Authority's internal control systems;
- e) considering the appointment and annual fees of external auditors, review the planned activity of the Park Authority's external auditors and to consider reports by the external auditor on the annual accounts and other matters;
- f) overseeing the Park Authority's arrangements for ensuring use of resources economically, efficiently and effectively (as required by s19 of the National Parks (Scotland) Act 2000), and arrangements to comply with guidance on delivery of best value;
- g) overseeing the Park Authority's arrangements for risk management and corporate governance arrangements;
- h) providing advice to the Accountable Officer on completion of the Governance Statement, and to consider any wider issues arising on the Park Authority's final accounts prior to their being signed by the Accountable Officer;
- i) reviewing major findings of other relevant audit reports of Parliamentary Committee findings, insofar as they affect the overall performance of the Park Authority; and
- j) reviewing the Park Authority's work on its organisational and greening plans and the progress of work addressing climate change issues within the Park

Plan.

Staff in attendance: by Chief Executive [non-voting], Corporate Services Director [non-voting], Finance manager [non-voting].

Both the internal and external auditors attend as required. Both auditors have the right of free and confidential access to the Chair of the Audit and Risk Committee.

4.4 Staffing and Recruitment Committee (6 members, quorum 3)

The Staffing and Recruitment Committee's remit includes:

- a) overseeing and monitoring the HR (human resources) systems put in place for the Park Authority, including in particular the pay and grading system, performance appraisal system and related performance related pay system;
- b) advising the Director of Corporate Services on behalf of the Park Authority on the negotiation of annual pay awards;
- c) providing an interface between staff representative group(s) and the Board, and play a role in arbitrating on staffing issues as set out in the Park Authority's policy and procedures; and
- d) overseeing the recruitment of senior staff (Directors and Chief Executive) including agreeing the job descriptions, adverts and salary; to take responsibility for interviewing and selecting the successful candidates, and seeking the endorsement of the whole Board (and Scottish Ministers in the case of the Chief Executive).

Staff in attendance: Chief Executive [non-voting], Director of Corporate

Services [non-voting] and Head of Organisational Development [non-voting]

5 Accountable Officer

5.1 The Chief Executive is the Park Authority's Accountable Officer responsible for the financial administration of the Park Authority's affairs. The Accountable Officer is personally liable for safeguarding the public funds for which he/she has charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the Park Authority.

5.2 Specific responsibilities of the Accountable Officer are detailed in the Park Authority's Management Statement. Although the Chief Executive can delegate the day-to-day administration of his/her Accountable Officer responsibilities to other Park Authority employees, he/she shall not assign absolutely any of the responsibilities set out in the Management Statement.

6 Other Senior Managers with Financial Responsibility

6.1 Director of Corporate Services

Day-to-day financial administration is controlled by the Director of Corporate Services, who is responsible to the Chief Executive for:

- a) preparing annual budgets and financial plans;
- b) preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
- c) preparing the Park Authority's annual accounts and other financial

statements and accounts which the Park Authority is required to submit to other bodies;

- d) ensuring that the Park Authority maintains satisfactory financial systems;
- e) providing professional advice on all matters relating to financial policies and procedures; and
- f) day-to-day liaison with internal and external auditors in order to achieve efficient processes.

6.2 Other Directors

Other Directors are responsible to the Chief Executive for financial management for the areas or activities they control. They are advised by the Director of Corporate Services in executing their financial duties. The Director of Corporate Services will also supervise and approve the financial systems they operate, including the form in which any accounts and financial records are kept. Directors are responsible for establishing and maintaining clear lines of responsibility within their Directorate for all financial matters. Where resources are devolved to budget holders, they are accountable to their Head of Service for their own devolved budget. Appendix I contains a matrix of levels of delegated authority

Other Directors shall provide the Director of Corporate Services with such information as may be required to enable:

- a) compilation of the Park Authority's financial statements;
- b) implementation of financial planning;
- c) implementation of audit and financial reviews, projects and value for money

studies; and

- d) appropriate action to be taken in the event of identifying any potential financial liabilities for the organisation arising from their area of responsibility.

6.3 All members of staff

All members of staff should be aware of and have a general responsibility for the security of the Park Authority's property, for avoiding loss and for due economy in the use of resources, and :

- a) should ensure that they are aware of the Park Authority's financial authority limits and the values of purchases for which quotations and tenders are required. These are reproduced as Appendix I: Delegated Authority. A summary document listing staff members with delegated authority is maintained on the CNPA server within the Finance Reference folder.
- b) shall make available any relevant records or information to the Director of Corporate Services or their authorised representative in connection with the implementation of the Park Authority's financial policies, these financial regulations and the system of financial control.
- c) shall provide the Director of Corporate Services with such financial and other information as may be deemed necessary, from time to time, to carry out the requirements of the governing body.

- d) shall immediately notify the Director of Corporate Services whenever any matter arises which involves, or is thought to involve, irregularities concerning, *inter alia*, cash or property of the park Authority. The Director of Corporate Services shall take such steps as considered necessary by way of investigation and report, as set out in the Fraud Policy and Response Plan contained in the Staff Handbook.

7 Risk Management

- 7.1** The Park Authority acknowledges the risks inherent in its operations, and is committed to managing those risks that pose a significant threat to the achievement of its planned objectives and financial health. Detailed guidance on the level of risk considered to be acceptable/unacceptable by the Park Authority will be set out in a separate risk management strategy.
- 7.2** The Board has overall responsibility for ensuring there is a risk management strategy and a common approach to the management of risk throughout the Park Authority, through the development and implementation within the organisation of a formal, structured risk management process.
- 7.3** In line with this policy, the risk management strategy and supporting procedures include:
 - a) the adoption of common terminology in relation to the definition of risk and risk management;
 - b) the establishment of Park Authority-wide criteria for the measurement of risk,

- linking the threats of their potential impact and the likelihood of their occurrence together with a sensitivity analysis;
- c) a decision on the level of risk to be accepted, together with tolerance levels expressed in terms of measurable outcomes;
 - d) detailed regular review at department or support function level to identify significant risks associated with the achievement of key objectives and other relevant areas;
 - e) development of risk management and contingency plans for all significant risks, to include a designated 'risk owner' who will be responsible and accountable for managing the risk in question;
 - f) regular reporting to the Audit and Risk Committee of all risks above established tolerance levels; and
 - g) an annual review of the implementation of risk management arrangements.
 - h) the strategy and procedures must be capable of independent verification.

7.4 Heads of Service must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the Park Authority may be exposed. The Director of Corporate Services' advice should be sought to ensure that this is the case.

8 Whistleblowing

8.1 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A

whistleblower can “blow the whistle” about crime, civil offences (including negligence, breach of contract, etc), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

- 8.2** The full procedure for whistleblowing is set out in the Park Authority’s Staff Handbook which all employees have a copy of.

9 Code of Conduct

- 9.1** The Park Authority is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the 7 principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee, see Appendix 2), which members of staff at all levels are expected to observe. In addition, the Park Authority expects that staff at all levels will observe its code of conduct, contained in its detailed financial procedures:

- a) probity and propriety;
- b) selflessness, objectivity and honesty; and
- c) relationships.

- 9.2** Members of the Park Authority and all staff are required to disclose interests in the Park Authority’s register of interests maintained by Corporate Services. They will also be responsible for ensuring that entries in the register relating to them

are kept up to date regularly and promptly.

- 9.3** In particular, no person shall be a signatory to a Park Authority contract where he or she also has an interest in the activities of the other party.

9.4 Receiving gifts or hospitality

It is an offence under the Bribery Act 2010 for members of staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all members of staff must be:

- a) the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest; and
- b) the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

Therefore, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be

significantly greater than the Park Authority would be likely to provide in return.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the relevant Head of Service or the Director of Corporate Services. For the protection of those involved, the Director of Corporate Services (or other designated officer) will maintain a register of gifts and hospitality received where the value is in excess of £10. Members of staff in receipt of such gifts or hospitality are obliged to notify the Director of Corporate Services promptly.

10 Financial Planning

10.1 The Management Team prepares a three-year Corporate Plan for approval by the Board. The Corporate Plan sets out the goals and actions of the Authority to deliver of its statutory objectives, meet the Ministerial frameworks, in pursuance of the Board's overall strategy direction. Detailed action plans are evolved from this into an annual Operational Plan. Financial plans should be consistent with the above documents approved by the Sponsoring Department.

10.2 Budget objectives

The Sponsoring Directorate and Park Authority Board will, from time to time, set budget objectives. These will help the Director of Corporate Services in coordinating more detailed financial plans for the Authority.

10.3 Resource allocation

Resources are allocated annually by the Board on the recommendation of the Management Team, on the basis of the above objectives and in line with agreed Corporate and Operational Plans. Directors and Heads of Service are responsible for the economic, effective and efficient use of resources allocated to them.

10.4 Budget preparation

The Director of Corporate Services is responsible for preparing each year an annual budget for consideration by the Finance and Delivery Committee on behalf of the Park Authority. The budget should link to monthly cash flow forecasts for

the year. The Director of Corporate Services must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to Heads of Service as soon as possible following their approval by the Finance and Delivery Committee.

During the year, the Director of Corporate Services is responsible for submitting revised budgets as required to the Finance and Delivery Committee for consideration.

10.5 Major expenditure

Any new aspect of business which will require an investment in cash resources between £5,001* and £25,000* should be presented for approval to the Head of Service, with evidence that a Director has been consulted. Over £50,000 the order has to be initiated by a Head of Service and approved by a Director. (See Appendix A for the limits of delegated authority.)

*The cumulative value of the supply of a product or services over 3 years (whole life) from the same supplier.

11 Financial Management and Control

11.1 Budgetary control

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively. Budget holders are responsible to their Head of Service for the income and expenditure appropriate to their budget.

Significant departures from agreed budgetary targets must be reported immediately to the Director of Corporate Services and the Finance Manager by the Head of Service concerned and, if necessary, corrective action taken.

11.2 Performance management and disclosure

The Management team and Heads of Service are assisted in their duties by management information provided by Corporate Services on a monthly basis. This includes reports on income and expenditure on CORE costs and Operational Plan performance at Directorate, Head of Service and Priorities level. This financial information is presented on a “month to” and the “year to date” basis, showing the variance from actual to budgeted spend on a “high level” basis (ie the expenditure headings disclosed in the Annual Report and Accounts in the Statement of Comprehensive Net Expenditure which are in turn is agreed by the Finance and Delivery Committee). Heads of Service are also provided with analysis showing actual to budgeted expenditure by month and the remaining spend until the end of the financial year. Material variances on actual to budgeted expenditure is also report with a brief explanation on the circumstances behind the variance.

The Director of Corporate Services is also responsible for supplying periodic budgetary reports on all aspects of the Park Authority’s financial performance to the Finance and Delivery Committee. These periodic reports are the same as provided to the Management Team Monthly, with additional information for clarity.

11.3 Changes to the approved budget

Changes proposed to the approved budget will be first considered by the Management Team and Finance and Delivery Committee.

11.4 Virement

Virement is the term used for the transfer between different budget allocations.

Virement is delegated to the Operational Managers Group (OMG) who are allowed to transfer a maximum of 10% or £10,000 (whichever is the greater) of the service budgets most recently agreed by the Board or its Finance Committee. Any variation of service budgets above this level shall require prior authorization by the Finance and Delivery Committee.

The Finance Manager will co-ordinate all planned resource transfers and report up to date total service budget allocations to Management Team and the Finance and Delivery Committee for information or approval as appropriate.

The Director of Corporate Services is also responsible for maintaining an up-to-date record of underspent funds that may be used in this way.

The Director of Corporate Services is responsible for submitting requests for virement of resources above £10,000 or 10%, (whichever is the greater) of budget to the Management Team for consideration.

11.5 Financial Routines and Procedures

From time to time advice will be issued from Finance on the accounting and recording of incoming resources (grant-in-aid, grants and other income) and

outgoing resources (payments generally). These routines and procedures are subject to constant revision and amendment and are not considered in detail in this document. Separate guidance and advice will be available from Finance on procedures covering raising an invoice, procurement generally (with specialist advice coming from the procurement manager at the Loch Lomond & Trossachs National Park Authority), expenditure justification and requisitions, contract letting and tendering and the Park Authority's Standard Terms and Conditions.

12 Accounting Arrangements

12.1 Financial year

The Park Authority's financial year will run from 1 April until 31 March in the following year.

12.2 Basis of accounting

The financial statements are prepared under the historical cost convention modified to account for the revaluation of property, intangible assets and, where material, current asset investments and inventories to fair value as determined by the relevant accounting standard.

12.3 Format of the financial statements

The financial statements are prepared in accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, and in compliance with the principles and disclosure requirements of the Government Financial Reporting Manual (FReM) which follows Generally Accepted Accounting Practice (GAAP) as defined in

International Reporting Standards as adopted by the European Union and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The accounting policies adopted by the Park Authority are disclosed in the note to the annual Report and Accounts. Accounting policies are applied consistently with items considered material in relation to the financial statements.

The financial statements are prepared using accounting policies and, where necessary, estimation techniques which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors.

12.4 Capitalisation and depreciation

New land and buildings will be recorded in the balance sheet at actual build or acquisition cost. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Land will not be depreciated.

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

Expenditure incurred on the acquisition of assets, other than land and buildings, will be recorded in the balance sheet where the acquisition cost per item is £500 or more. Assets with a lower value may be capitalised with the prior approval of Corporate Services. Assets capitalised will be depreciated at the following rates, commencing in the month of acquisition:

- a) ICT assets - over 3 years
- b) Intangible assets and software - over 3 years
- c) operational equipment - over 5 years
- d) motor vehicles - over 5 years
- e) park markers - over 25 years
- f) Depreciation runs until either the asset is fully depreciated or disposed.

Fully depreciated assets are maintained on the fixed asset register until

- i. disposed of,
- ii. is impaired to such an extent that it is not viable to repair,
or
- iii. is earmarked for “sanitation” prior to recycling.

12.5 Accounting records

The Director of Corporate Services is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.

The Park Authority is required by law to retain original documents for seven years. These include:

- a) accounts raised;
- b) bank statements;
- c) copies of receipts;
- d) paid cheques; and
- e) payroll records.

The Director of Corporate Services will make appropriate arrangements for the retention of electronic records.

Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations.

12.6 Taxation

The Director of Corporate Services is responsible for advising Service Directors, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues relevant to the Park Authority. The Director of Corporate Services will issue instructions to Heads of Service and staff on compliance with statutory requirements including those concerning VAT, PAYE, National Insurance, and Corporation Tax.

The Director of Corporate Services is responsible for maintaining the Park Authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

13 Audit Requirements

13.1 General

External auditors and internal auditors shall have authority to:

- a) access Park Authority premises at reasonable times;
- b) access all assets, records, documents and correspondence relating to any financial and other transactions of the Park Authority;
- c) require and receive such explanations as are necessary concerning any matter under examination;
- d) require any employee of the Park Authority to account for cash, stores or any other Park Authority property under his or her control; and
- e) access records belonging to third parties, such as contractors, when required.

The Director of Corporate Services is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

Once the financial statements have been agreed with the external auditors they should be reviewed by the Audit Committee on behalf of the Board.

13.2 External audit

The accounts of the Park Authority are audited by an auditor appointed by the Auditor General for Scotland in accordance with paragraph 25 (2) of the National Parks (Scotland) Act 2000.

The primary role of this external audit is to report on the Park Authority's

financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the funding body's audit code of practice and the Auditing Practices Board's statements of auditing standards.

13.3 Internal audit

The internal auditor is appointed by the Park Authority on the recommendation of the Audit Committee.

The Park Authority's Financial Memorandum with the funding body requires that it has an effective internal audit function and their duties and responsibilities must be in accordance with the Scottish Public Finance Manual (SPFM) and Public Sector Internal Audit Standards (PSIAS). The main responsibility of internal audit is to provide the Park Authority, the Accountable Officer and the Senior Management Team with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation but has direct access to the Accountable Officer and Audit and Risk Committee. The internal auditor will also comply with International Standards on Auditing as adopted for use in the UK and Ireland by the Financial Reporting Council.

13.4 Fraud and corruption

It is the duty of all members of staff, management and the Park Authority to notify the Director of Corporate Services immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or

any other impropriety.

The Director of Corporate Services shall immediately invoke the fraud response plan, which incorporates the following key elements (see Staff Handbook for fuller details):

- a) will notify the Accountable Officer and the Audit Committee of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report;
- b) the Accountable Officer shall inform the police if a criminal offence is suspected of having been committed;
- c) any significant cases of fraud or irregularity shall be reported to the funding body in accordance with their requirements as set out in the audit code of practice;
- d) the Audit Committee shall commission such investigation as may be necessary of the suspected irregularity, by the internal audit function or others, as appropriate; and
- e) the internal audit function, or others commissioned to carry out an investigation, shall prepare a report for the Audit Committee on the suspected irregularity. Such report shall include advice on preventative measures.

If the suspected fraud is thought to involve the Director of Corporate Services and/or the Accountable Officer, the member of staff shall notify the Convener or Chair of the Audit Committee direct of their concerns regarding irregularities.

13.5 Best value

It is a requirement of the Financial Memorandum that the Park Authority is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the funding body or other relevant third parties e.g. Audit Scotland, Auditor General for Scotland.

Internal audit is to have regard to value for money in its programme of work.

13.6 Other auditors

The Park Authority may, from time to time, be subject to audit or investigation by external bodies such as the funding body, National Audit Office, European Court of Auditors, HM Revenue and Customs, who have the same rights of access as external and internal auditors.

14 Treasury Management

14.1 Appointment of bankers

The Park Authority is responsible for the appointment of its bankers on the recommendation of the Finance and Delivery Committee. Banking arrangements should be regularly reviewed to ensure that the arrangements continue to meet the Park Authority's needs in the most economical, efficient and effective manner.

14.2 Banking arrangements

The Director of Corporate Services is responsible, on behalf of the Finance and

Delivery Committee, for liaising with the Park Authority's bankers in relation to its bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the Director of Corporate Services, who shall make proper arrangements for their safe custody.

Only the Chief Executive or Director of Corporate Services may open or close a bank account for dealing with the Park Authority's funds. All bank accounts shall be in the name of the Park Authority or of any of its subsidiary companies.

All cheques drawn on behalf of the Park Authority must be signed in accordance with the authorised signatory list (Appendix I). All automated transfers on behalf of the Park Authority, such as BACS or CHAPS, must be authorised in the appropriate manner. All payments require two signatories.

The Director of Corporate Services is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

14.3 Banking services

The Park Authority is not allowed to run an overdraft, and must therefore ensure that it always has sufficient funds to meet planned expenditure.

Direct debits should not normally be used since these involve a loss of control, which is likely to be incompatible with the Accountable Officer's responsibilities for safeguarding public funds. However, it is recognised that payment for some goods and services may only be possible if supported by DD arrangements. In such cases the Director of Corporate Services recognises the potential loss of control in payment authorisation and the reliance on alternative internal control arrangements.

15 List of appendices

Appendix 1 - Delegated Authority Limits Matrix

Appendix 2 - Nolan Committee Principles

APPENDIX I
DELEGATED AUTHORITY LIMITS MATRIX

APPENDIX 2

THE NOLAN COMMITTEE 7 PRINCIPLES OF PUBLIC LIFE

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.