

CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DECISION

Title: FINANCIAL REGULATIONS

Prepared by: David Cameron, Head of Corporate Services

Purpose

To update the Committee on progress made on developing financial regulations for the Authority.

Recommendations

The Committee is requested to:

1. Approve the draft Financial Regulations set out in the Annex to this paper; and
2. Delegate approval of operational financial procedures to the Chief Executive, as Accountable Officer, and to the Head of Corporate Services. Updates will be provided regularly to the Committee, to inform members of areas in which additional financial procedures have been put in place, or where revisions have been made.

Executive Summary

One aspect of the Committee's remit is to monitor the adequacy of the CNPA's internal control systems. The External Auditor's Management Report on the audit of the accounts for 2003/04 noted that there was no comprehensive set of written procedures covering the Authority's financial operations. Draft Financial Regulations are presented with this paper, which seek to establish a set of relatively "static" principles of financial administration and stewardship. These regulations will be supplemented as required by more detailed financial procedures.

Financial Regulations

Background

1. One aspect of the Committee's remit is to monitor the adequacy of the CNPA's internal control systems.
2. In this regard, the External Auditor's Management Report on the audit of the accounts for 2003/04, considered by the Committee at its meeting in December 2004, noted that there was no comprehensive set of written procedures covering the Authority's financial operations.

Draft Financial Regulations

3. The Finance Manager and Head of Corporate Services have now developed draft Financial Regulations for the Authority. These set out relatively high level regulations and principles covering the use of financial resources within CNPA. A copy of the draft Financial Regulations is set out in the Annex to this paper.
4. These draft regulations have been developed from the Chartered Institute of Public Finance and Accountancy (CIPFA) Model Financial Regulations for use in Further and Higher Education Institutions. While obviously developed within a different part of the public sector, the principles involved are sufficiently generic to enable their transfer to the CNPA's circumstances.
5. The intention is that the Regulations will form a set of relatively "static" principles of financial administration and stewardship.
6. These regulations will be supplemented as required by more detailed financial procedures. The procedures will uphold the principles set out in the regulations but will be more liable to change in detail as the organisation develops and working practices change. When approved, individual procedures will be adopted as appendices to the Financial Regulations.
7. **The Committee is requested to approve the draft Regulations set out in the Annex to this paper for adoption within the Authority.**
8. **The Committee is requested to delegate approval of operational financial procedures to the Chief Executive, as Accountable Officer, and to the Head of Corporate Services. Updates will be provided regularly to the Committee to inform members of areas in which additional financial procedures have been put in place, or where revisions have been made.**

Future Action

9. As can be seen from the Annex, a few detailed procedures have already been incorporated as appendices to the financial regulations. There will be a requirement to supplement these over the next few months with a range of additional procedures, covering, for example, payroll processing, budget monitoring, and recording financial commitments.
10. The financial regulations and procedures will, of course, be subject to the usual processes of internal and external audit review. The outcome of these reviews, and of reviews into other areas of financial operations, will also be used to inform future required developments.

Statement of Internal Control

11. Prior to finalising the external audit of the Authority's accounts for the year ended 31 March 2005, there is a requirement for the Committee to approve an Internal Control statement which forms part of the foreword to the financial reports for the year. A draft internal control statement is set out on page 7 of the Appendix.
- 12. The Committee is requested to approve the Statement of Internal Control set out in the draft accounts for 2004/05.**

Future Action

13. A verbal update of any matters arising from the external auditors' fieldwork in August will be given to the Committee at its meeting.
14. It is intended that the accounts will be signed by the Chief Executive and forwarded to Audit Scotland for inclusion of their audit certificate by 9 September. Certified accounts will be made available to the Sponsor Department and Auditor General by 30 September.

David Cameron
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