

Great Aycliffe Town Council

2020/21 Finance Service Plan



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1.0 Introduction and Executive Summary

Welcome to the annual update of the Finance Section Service Plan.

The Finance Section plays an important role in the overall financial management of the Council facilitating the preparation of the Council's financial plans, policies, budgets and accounts, ensuring effective budget monitoring and control, undertaking treasury management, arranging and managing insurance, providing financial advice and training, undertaking internal audit, and reporting on financial performance.

The Finance Section also provides an important support service to the Council's front-line service areas, by undertaking the payment of salaries and wages of staff, processing and payment of creditor's invoices, and assisting in the collection and banking of income.

In doing so, the Finance Section helps ensure that the Council meets statutory requirements in relation to financial management, accounting and audit, and assists in delivering value for money to local taxpayers, by putting in place sound arrangements for securing economy, efficiency and effectiveness in use of the Council's financial resources.

This Service Plan has been prepared in accordance with the requirements of the Council's Performance Management Framework and aims to demonstrate the links between the overall Strategic Aims and Targets of the Council, as set out in the Council's Service Delivery Plan, and the role carried out by the Finance Section in helping to achieve these objectives.

The purpose of this Service Plan is to put in place a mission statement, service aims and objectives, performance management arrangements, and an annual action plan specific to the work of the Finance Section.

The delivery of the Service Plan during the year will then help ensure the Finance Section contributes towards the achievement of the Council's Strategic Aims and Targets, deliver service improvements and effectively meet and hopefully exceed the expectations of the users of the Finance Section.

The Service Plan also sets internal objectives and targets for the officers working within the Finance Section and helps communicate to all other staff and Members of the Council how the Finance Section contributes towards the Council's overall vision and strategic aims.

This Plan has been prepared for the purposes of the 2020/21 financial year and will be updated on an annual basis. The Plan will be reported to and approved by the Policy and Resources Committee and progress on the Action Plan will be monitored by the Finance Manager throughout the year.

If you have any comments or feedback on the Service Plan, please feel free to forward these to the Finance Manager, who will ensure that any views are taken into account in future updates of the Plan.

2.0 Council Strategic Vision and Aims

The Council has adopted a strategic mission statement, which is that Great Aycliffe Town Council aims to be:-

'A pro-active and responsive Council, working in partnership, listening to and speaking up for the community, contributing towards making Great Aycliffe an excellent place in which to live for all its residents.'

In support of this mission statement, the Council agreed the following eight strategic aims:

1. *To provide good quality governance and management of the Council.*
2. *To manage the council's finances and assets in a responsible manner.*
3. *To provide accessible, affordable leisure facilities and opportunities.*
4. *To provide pre-school education as appropriate in Great Aycliffe.*
5. *To contribute to the environmental improvement of Great Aycliffe by managing and developing parks, play areas and green spaces.*
6. *To help and encourage partnership working to improve services and facilities for the residents of Great Aycliffe.*
7. *To encourage the residents of Great Aycliffe to become involved in local democracy.*
8. *To research information and make the case for Great Aycliffe.*

3.0 Contribution to Council's Strategic Aims

The Finance Section directly contributes towards two of the Council's strategic aims:-

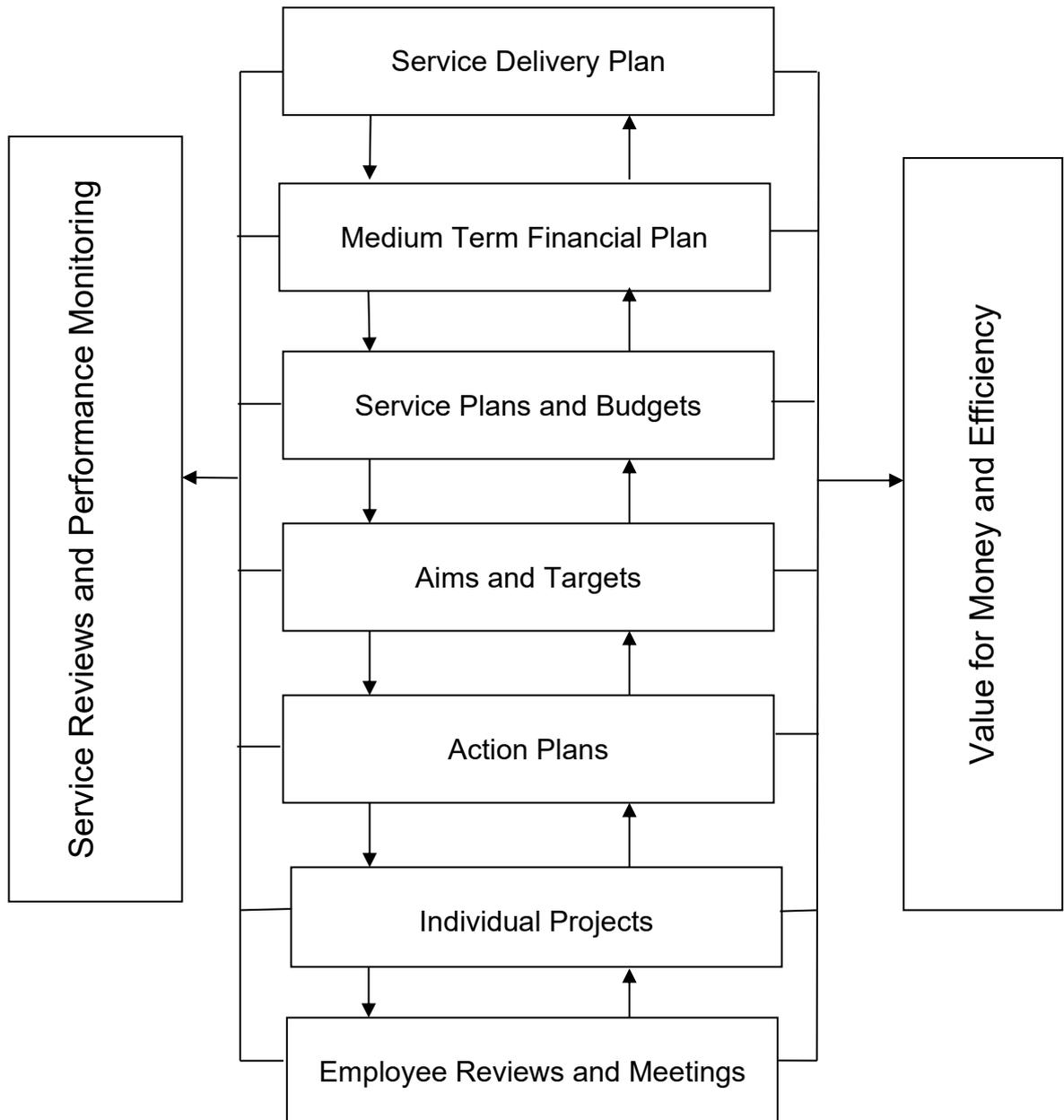
1. *To provide good quality governance and management of the Council.*
2. *To manage the council's finances and assets in a responsible manner.*

The work of the Finance Section also assists in the achievement of all of the other strategic aims by providing an important support service to the front-line service areas of the Council.

4.0 Performance Management Framework

The Council has in place an approved Performance Management Framework which helps to demonstrate how the Council's Strategic Aims and Targets from the Service Delivery Plan link into the Council's other strategies, and how they feed down into the aims and objectives of individual service areas and the day to day objectives of individual officers, and how these combine to help the Council deliver its aims.

The Performance Management Framework is summarised in the diagram below:-



5.0 Finance Performance Management Arrangements

Monitoring and management of the performance of the Finance Service is undertaken by the Finance Manager, supported by the Finance Section staff.

An annual Action Plan is included within the Finance Service Plan setting out specific actions that are planned during the year to improve the quality of the Finance Service.

6.0 Equalities Statement

Although this is an internal working document, this Service Plan is also available to anyone whom may be interested in the work of the Finance Section at Great Aycliffe Town Council.

Great Aycliffe Town Council is committed to the removal of all barriers preventing access to our services arising from ethnicity, religion, special needs, language differences, learning difficulties, sexual orientation, gender, age, disability or geographic location.

Information will generally be provided by the Council in English only. Where we are required under other statute to provide certain information in other languages, this information will be translated. You can request an alternative format copy by contacting Great Aycliffe Town Council on 01325 300700.

7.0 Investment in Employees

It is recognised that employees are the Council's greatest asset in delivering services effectively and investment in employees is therefore paramount in helping the Council to deliver its strategic aims and targets.

It is also acknowledged and recognised that the Finance Service is a customer-oriented service and as such should maintain a customer focused approach. It is therefore vitally important that the employees should have sufficient skills and training to meet customer expectations and requirements.

The Council is committed to investing in the training and development of all of its employees and operates a Performance and Development Appraisal Scheme which helps to monitor and improve the performance of all staff as well as identify training and personal development needs.

A training budget is in place for the Finance Section to provide for any identified training needs.

The staffing structure of the Finance Section is attached in Appendix A.

8.0 Finance Service Profile

The Finance Section plays an important corporate role in helping the Council to meet its statutory financial responsibilities, securing economy, efficiency and effectiveness in use of public resources, and delivering value for money to local council taxpayers.

The Finance Section is responsible for the overall financial management of the Council and also provides an important support service to the Council's front-line service areas, and to officers and Members of the Council.

The main responsibilities of the Finance Section are detailed below:-

- Maintaining, updating and monitoring compliance with the Council's Financial Regulations and the Standing Orders for Contracts and Procurement;
- Managing and developing the Council's accounting systems, internal controls, financial records, policies and procedures;
- Reporting on the Council's financial performance;
- Providing financial information to Members and officers including the regular reporting of budgetary control during the year;
- Preparing the annual Revenue Budget and Capital Programme;
- Preparing the Medium-Term Financial Plan;
- Preparing the annual Accounting Statements and Annual Governance Statement within the Annual Governance and Accountability Return;
- Treasury management including the maintenance of the Treasury Management Code of Practice and the management of the Council's cash flow, loans and investments;
- Managing an effective payroll service;
- Managing an effective accounts payable and receivable function to ensure that all invoices are raised and paid promptly;
- Managing an effective income collection and banking system to ensure that all monies receivable by the Council are collected and banked promptly;
- Managing the Council's insurance arrangements;
- Managing the Council's banking arrangements;
- Accounting for taxation including VAT and income tax;
- Providing an effective internal audit service; and
- Providing financial advice and training.

9.0 Finance Section Mission Statement

The Finance Section has adopted the following statement as its mission statement:-

"To manage the Council's finances economically, efficiently and effectively, helping to secure value for money for local taxpayers; and provide a high-quality financial support service to all members, managers and staff".

10.0 Service Aims and Objectives

The Finance Section's key aims and objectives are as follows:-

1. To achieve an "unqualified" external audit opinion in respect of the Annual Governance and Accountability Return from the Council's external auditors.
2. To prepare the Accounting Statements and Annual Governance Statement, for approval by the Council by no later than 30th June each year.
3. To prepare the Council's annual Revenue and Capital Budgets for approval by the Council by no later than 31st January each year.
4. To update the Council's Medium-Term Financial Plan for approval by the Council by no later than 30th June each year.
5. To ensure that effective budgetary control arrangements are put in place to allow the effective management, monitoring and control of the Council's Revenue and Capital Budgets.
6. To prepare quarterly reports on the Council's financial position and report these to the Council's Policy and Resources Committee.
7. To ensure adherence with the Council's approved Financial Regulations, Standing Orders for Contracts and Procurement and all other supporting financial policies and procedures.
8. To provide accurate, timely, relevant and clear financial information to Members and officers and transparently publish and communicate the Council's finances to external stakeholders via the Council website.
9. To provide an efficient and effective internal audit service facilitating the annual review of all major services, systems and processes of the Council in order to ensure that all internal controls are operating effectively.
10. To provide an efficient and effective payroll service to all employees and Members and to ensure that all salaries, wages, members' allowances, mileage and subsistence allowances are paid accurately and on time.
11. To provide an efficient and effective accounts payable service and to ensure that all undisputed creditors invoices are paid within the relevant payment terms.
12. To provide an efficient and effective accounts receivable service and to ensure that all monies due to the Council are recovered promptly.
13. To ensure that income receivable by the Council is collected and banked promptly and properly recorded and reconciled.
14. To manage the Council's cash flow, borrowing, investment and banking activities in line with the Treasury Management Code of Practice.
15. To ensure that appropriate insurance cover arrangements are made to minimise risks and support the Council's Risk Management Strategy.
16. To provide sound financial advice and training to Members and officers.
17. To support the personal development needs of Finance Section staff.

11.0 Achievements in 2019/20

2019/20 was a successful year for the Council financially, and this was confirmed when the Council achieved another unqualified external audit report in relation to the 2019/20 Annual Governance and Accountability Return.

This was a very pleasing outcome and provides independent assurance that the Council's accounting statements present fairly its financial position, and that its financial management, governance and internal audit arrangements are all sound.

The Finance Section is proud to have contributed towards this achievement, which is also evidence of the commitment of all Council staff and Members towards good financial management and delivering value for money.

The Finance Section was also responsible for co-ordinating the update of the Council's Medium-Term Financial Plan and the preparation and setting of the Revenue and Capital Budgets at a time when the Council faces some significant financial challenges over the coming years.

Future budget pressures include likely cuts to the Council Tax Support Grant funding on which the Council is reliant, significant pressure on staffing budgets linked to increases in the National Living Wage, and potentially significant capital investment commitments, and the ensuing depletion in the Council's balances and reserves that this may cause.

Fortunately, the Council remains in a strong financial position at the present time, with a balanced Revenue Budget, continued delivery of savings in the current financial year, tax base growth from new housing development, and healthy levels of balances and reserves.

As such, a balanced 2020/21 Revenue Budget has been approved which puts surplus resources in place to help address some of the longer-term challenges faced, whilst the current Medium-Term Financial Plan indicates that existing services can be maintained until at least the middle of the next decade.

The Finance Section also ensured the continued implementation of a comprehensive budgetary control system during the year including quarterly reporting of the Council's financial position to Members. This helped the Council to deliver a projected saving of £250,000 on its Revenue Budget in 2019/20, which has helped to replenish council balances and reserves.

All other key performance targets such as the payment of invoices on time, the delivery of the Internal Audit Plan, and the completion of all Government returns on time, were also all achieved last year.

The Finance Manager is grateful to the finance staff who continue to do an excellent job helping to deliver the section's overall aim of providing a quality financial support service to all employees and Members of the Council.

12.0 Finance Strengths, Weaknesses, Opportunities and Threats (S.W.O.T.) Analysis

In order to ensure continuous improvement in the work of the Finance Section, it is important to analyse the existing internal strengths and weaknesses, and the opportunities and threats which may impact on service delivery:-

<p>Strengths</p> <ul style="list-style-type: none"> • Committed, well trained and multi-skilled staff. • Good level of experience. • Positive and flexible approach. • Good team working. • CIPFA qualified Finance Manager. • Continuous review of the service. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Covering for sickness and holidays sometimes slows down the work of the Section. • Full segregation of duties is sometimes difficult to achieve because of the small team.
<p>Opportunities</p> <ul style="list-style-type: none"> • Further development of the Financial Management System. • Utilising training opportunities in order to improve the existing skills and knowledge of staff. • Broadening the knowledge and experience of staff to further develop multi-skilling and the ability to effectively cover sickness and holidays. 	<p>Threats</p> <ul style="list-style-type: none"> • Further increases in the National Living Wage and the associated impact on local government pay. • The Council's reliance on the Council Tax Support Grant to balance the Revenue Budget. • Public sector spending cuts by the Government impacting upon the amount of grant paid. • New Government legislation and policy affecting the Council.

13.0 Finance Political, Environmental, Social, and Technological Factor (P.E.S.T.) Analysis

In analysing the external environment, it is important to identify the factors that are likely to influence the effective operation of the Finance Section.

A P.E.S.T. analysis is a framework that categorises issues in the external environment in which the Section operates broken down into political, economic, social and technological forces.

This analysis is not a set of rigid compartments into which ideas need to be sorted and is best thought of as a broad summary of what is happening in the external environment that will or may affect the Finance Service.

The P.E.S.T. analysis for the Finance Service is set out on the following page:-

PEST Analysis

PEST Analysis Factors	Description of Impact	Potential Impact	Implication and Importance			Action
			Type:	Impact:	Importance:	
	<i>How might the factors on the left impact on the Finance Service?</i>	<i>High Medium Low Undetermined</i>	<i>Strength Weakness Opportunity Threat</i>	<i>Increasing Unchanged Reducing Unknown</i>	<i>Critical Important Unimportant Unknown</i>	<i>Action required to mitigate any risk.</i>
POLITICAL: <ul style="list-style-type: none"> • New Government Legislation • Withdrawn or reduced funding grant • National Living Wage increases 	Impact on Council finances and budget. Impact on Council finances and budget. Increased costs. Impact on budget.	Medium High High	Threat Threat Threat	Unchanged Unknown Increasing	Important Important Important	Keep up to date with legislation. Effective financial planning. Effective financial planning. Council Balances and Reserves. Grading restructure. Job evaluation exercise.
ECONOMIC: <ul style="list-style-type: none"> • Inflation and interest rates. • Local economy 	Impact on Council budget. Affects demand for Council services.	Low Medium	Opportunity / Threat Opportunity / Threat	Unchanged Unchanged	Important Important	Effective financial planning. Competitive pricing and marketing.
SOCIAL <ul style="list-style-type: none"> • Demographic issues 	Affects demand for Council services.	Medium	Opportunity / Threat	Unknown	Unknown	Effective financial planning.
TECHNOLOGICAL	Obsolete technology	Medium	Threat	Unknown	Unknown	Asset management.

14.0 2020/21 Finance Action Plan

Service Delivery Plan Targets

Action	Outcome	Responsible Officer	By
Publish an annual financial report.	To ensure that the Council publishes an annual report including details of its financial performance.	Dan Austin	31 st May 2020
Undertake an annual review of the Council's Financial Regulations, Standing Orders for Contracts and Procurement and supporting financial policies.	To ensure that the Council's financial regulations and policies are up to date and fit for purpose.	Dan Austin	13 th May 2020 (AGM)
Ensure compliance with the General Data Protection Regulation (GDPR).	To ensure that the Council's finance related personal data is protected and managed in accordance with the GDPR	Dan Austin	31 st March 2021
Undertake research where appropriate for new financial policies and procedures.	To ensure that the Council has financial policies in place wherever relevant.	Dan Austin	31 st March 2021
Keep up to date with any changes in finance related legislation and report to Council as and when required.	To ensure that the Council complies with all relevant financial legislation.	Dan Austin	31 st March 2021
Monitor energy consumption, implement energy saving initiatives, and reduce usage where possible.	To ensure that the Council monitors its energy usage and identifies opportunities to reduce consumption wherever possible.	Dan Austin	31 st March 2021
Ensure that all finance staff have an annual appraisal.	To comply with the Council's Performance and Development Appraisal Scheme and ensure the personal development of finance staff.	Dan Austin	31 st October 2020

Action	Outcome	Responsible Officer	By
Undertake a quarterly review of staff sickness and report to Performance Management Group.	To ensure that staff sickness is monitored and managed effectively.	Angela Blom	Quarterly
Produce the Annual Governance and Accountability Return for approval by the Council no later than 30 th June 2020 and ensure the audited Annual Return is published by no later than 30 th September 2020.	To meet statutory requirements.	Dan Austin	30 th June 2020
Achieve an unqualified audit opinion from the external auditors by 30 th September 2020.	To provide assurance to the local community and ensure a good reputation.	Dan Austin	30 th September 2020
Ensure that the Council's 2021/22 Budgets have been prepared and the Precept approved by 31 st January 2021.	To meet the County Council deadline and ensure a robust budget is in place.	Dan Austin	31 st January 2021
Ensure that the Medium-Term Financial Plan is prepared and approved by 30 th June 2020.	To ensure that the Council has a sound financial strategy in place.	Dan Austin	30 th June 2020
Manage the financial impact of the localisation of support for council tax and any future cuts to the Council Tax Support Grant funding.	To ensure that the Council can achieve a balanced Revenue Budget each year.	Dan Austin	31 st March 2021
Ensure all relevant information is published in compliance with the Local Government Transparency Code and Openness of Local Government Regulations.	To meet statutory requirements.	Dan Austin	31 st March 2021
Undertake regular budgetary control and ensure that quarterly budgetary control reports are presented to the Policy and Resources Committee.	Ensure robust monitoring and control of budgets and reporting to Council.	Dan Austin	31 st March 2021

Action	Outcome	Responsible Officer	By
Assist in the on-going programme of financial reviews of all Council service areas.	To help review priorities and identify efficiency savings.	Dan Austin	31 st March 2021
Undertake the annual update of the Council Asset Register including the schedules of expected life and replacement costs for buildings, plant and machinery, and ensure that any works are built into the capital works programme as necessary.	Ensure that the formal record of the Council's fixed assets, and the Asset Management Plan and Medium-Term Financial Plan capital budget projections are all up to date.	Dan Austin	31 st March 2021
Ensure that a six-monthly review of progress delivering the Asset Management Plan is undertaken with Officers and reported to the Member Asset Management Working Group.	To ensure that the Asset Management Plan is effectively delivered, monitored and reported.	Dan Austin	31 st March 2021
Deliver the Internal Audit Plan schedule of work and report to the Council's Audit Sub Committee.	To ensure sound internal controls are in place and support prevention of fraud.	Kirsten Bertram	31 st March 2021
Undertake an annual budget consultation exercise.	To ensure consultation is undertaken with local taxpayers on the budget.	Dan Austin	31 st December 2020
Produce timely responses to all major finance related consultations carried out.	To ensure that the Council submits its views on any finance related consultations undertaken by the government or Durham County Council.	Dan Austin	31 st March 2021

Finance Section Specific Actions			
Action	Outcome	Responsible Officer	By
Complete all Government tax returns electronically by the relevant deadlines.	To meet statutory requirements.	Dan Austin and Angela Blom	31 st March 2021
Continue to develop multi-skilling of Finance staff and capacity to provide cover for holidays and sickness.	To ensure that holidays and periods of sickness can be covered without any material impact on service quality.	Dan Austin	31 st March 2021
Complete the annual update of procedure notes for all major processes e.g. payroll, accounts payable, accounts receivable, bank reconciliations etc.	To ensure that key work can still be undertaken even in the absence of a member of the Finance team.	All Staff	31 st March 2021
Ensure that month-end budgetary control reports are provided to service managers within a maximum of ten working days of the month end.	To provide service managers with regular updates on their budget position and ensure the regular monitoring of the Council's Budgets.	Dan Austin	31 st March 2021
Ensure that monthly bank reconciliations are completed.	To ensure that bank reconciliations are promptly completed and up to date.	Angela Blom	31 st March 2021
Aim to ensure that 100% of debtors' invoices are paid.	To ensure that all income due to the Council is collected promptly and accurately.	Angela Blom	31 st March 2021
Aim to ensure that 100% of undisputed creditors' invoices are paid within the approved payment terms.	To ensure that all of the Council's suppliers are paid on time.	Mike McGowan	31 st March 2021

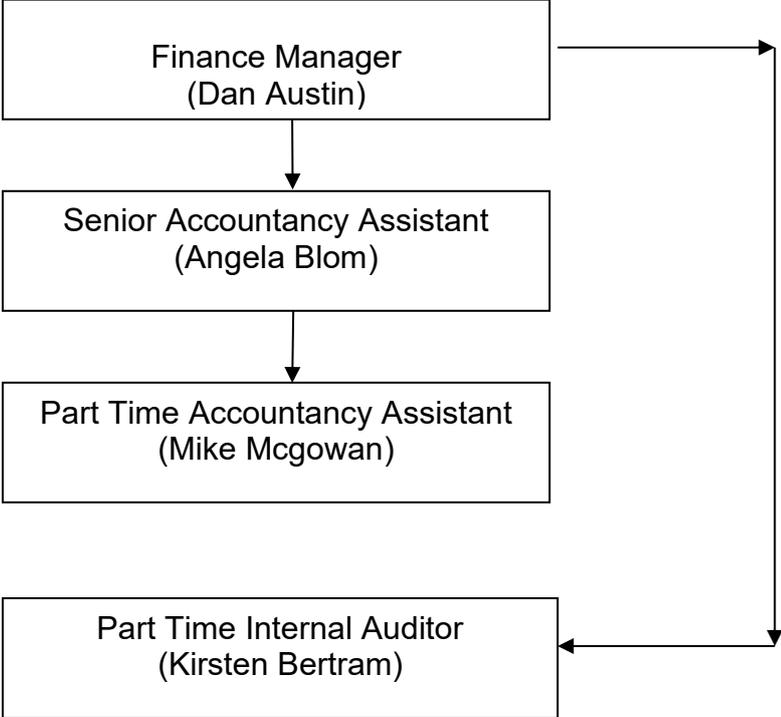
15.0 Finance Risk Assessment

The achievement of the aims and objectives set out in this Service Plan has been subject to a risk assessment, and the following risks to the achievement of the Action Plan have been identified:-

1. Staff absence or turnover of staff.
2. Failure of the Opera Financial Management System.
3. Failure to keep abreast of and fully conversant with changing legislation and accounting proper practices.
4. Significant cuts to or the total withdrawal of the Council Tax Support Grant funding.
5. Further significant increases in the National Living Wage and local government pay costs leading to restructure of the local government pay scale and the need for a job evaluation exercise.
6. Impact of the Government spending cuts on Durham County Council impacting on the Town Council, via cuts to funding and subsidies or increased pressure to take on local services and facilities.
7. Unforeseen and uncontrollable changes to the workload of the Section.

Appendix A

Finance Section Staffing Structure



Finance Section Revenue Budget Summary

Budget Description	Budget Holder
Finance Section	Dan Austin Finance Manager
<p>Purpose of the Budget:</p> <p>The main purpose of the Finance Section Budget is to provide the resources to ensure the efficient management of front-line service areas.</p> <p>The Finance Section plays an important corporate role in meeting the statutory requirements with regard to the accordance with proper practices, maintaining an effective system of internal control and internal audit, preparing records are maintained.</p> <p>The Finance Section also provides important support services to the Council's front-line service areas including p</p> <p>Finally, the Finance Section Budget provides for the costs of the Council's Internal Audit Service which provides i helping to ensure the prevention of fraud, error and other irregularities.</p>	
<p>Scope of Activity and Nature of the Service:</p> <p>The Finance Section is responsible for the following activities and functions:-</p> <ul style="list-style-type: none"> - Managing and developing the Council's financial regulations, accounting systems, internal controls, finan - Reporting on the Council's financial performance; - Preparing the Council's Revenue and Capital Budget; - Preparing the Council's Medium-Term Financial Plan; - Preparing the Council's Annual Return, incorporating the Accounting Statements and Annual Governance - Ensuring an effective system of budgetary control; - Managing an effective payroll and personnel service; - Managing an effective accounts payable and receivable function; - Managing an effective income collection and banking system; - Managing the Council's insurance arrangements; - Providing an effective internal audit service; - Providing financial advice and training; and - Managing the administration of the Councils cash flow, loans and investments. <p>The majority of the Finance Section's responsibilities are statutory requirements as set out in the Local Governm</p> <p>The Finance Section currently employs four members of staff; the Finance Manager, Senior Accountancy Assista</p>	
<p>Contribution to Council Aims:</p> <p>The Finance Section contributes directly to two of the Council's Strategic Aims:-</p> <p><i>Aim 1. "To provide good quality governance and management of the Council"</i></p> <p><i>Aim 2. "To manage the council's finances and assets in a responsible manner"</i></p>	

Performance Measures and Indicators

The main performance measure in place in respect of the Finance Section is the opinion contained within the External Audit Governance Statement.

The Finance Section are also partly or fully responsible for the delivery of many of corporate targets linked to Aims and Objectives:

2. Publish an annual financial report;
5. Undertake an annual review of the Council's Financial Regulations;
6. Ensure compliance with the General Data Protection Regulation (GDPR);
9. Undertake research where appropriate for new financial policies and procedures;
10. Keep up to date with any changes in legislation and report to Council as and when required;
11. Continue to monitor energy consumption, implement energy saving initiatives and reduce usage where possible;
12. Ensure all staff have an annual appraisal;
13. Undertake a quarterly review of staff sickness and report to Performance Management Group;
14. Produce Annual Return by 30th June 2020;
15. Achieve an unqualified audit opinion on the Annual Return by 30th September 2020;
16. Ensure the Medium-Term Financial Plan is approved by 30th June 2020;
17. Deliver the Internal Audit Plan schedule of work and report to quarterly to the Audit Sub Committee and Council;
18. Manage the financial impact of any future cuts to the Council Tax Support Grant funding;
19. Ensure quarterly budgetary control reports are presented to Policy and Resources Committee;
20. Ensure that the 2020/21 Council Budget is set and the Precept approved by 31st January 2021;
21. Ensure all relevant information is published in compliance with the Local Government Transparency Code;
22. Ensure that a six-monthly review of progress in delivering the work set out in the Asset Management Plan is undertaken;
23. Undertake an annual update of the Council's Asset Register including the schedules of expected life and value;
54. Hold a budget setting consultation meeting with the Customer Panel;
60. Produce timely responses to all major financial consultations carried out;

Finally, a Finance Service Plan is also in place, which includes a specific annual action plan to help monitor and improve performance.

Key Budget Changes for 2020/21

The Finance Section Budget has increased by £3,950 to a net running cost of £72,200 per year.

This provides for increases in staffing costs arising from the 2020/21 local government pay award and salary increases.

Importance of Service to the Community

The Finance Section plays an important role in meeting statutory requirements in relation to the financial management of the Council.

The 2019 'Your Town, Your Choice, Your Voice' Satisfaction Survey provided some very positive feedback as to the value of Council Tax represented value for money and 80% in support for the 2020/21 Revenue and Capital Budget proposals.

External Funding and Fees and Charges:

The only income receivable by the Finance Section is in the form of internal recharges to front line service areas. These recharges total £50,250 per year.

Appendix C

	Budget 2020/21
	£

Finance Section Revenue Budget		
Employee Costs		
Employee and Employer Costs		118,000
Training		1,000
Advertising		1,000
Employee Related Insurances		900
		120,900
Transport Costs		
Travelling and Subsistence		250
		250
Supplies & Services		
Stationery		1,000
Publicity		300
		1,300
Gross Expenditure		122,450
Total Income		
Recharges to Services		(50,250)
Net Expenditure		72,200

Appendix D - Current Finance Risks from Risk Register

Ref	Detail of Risk	Current Control	L'hood	Impact	Score
F01	Storage of cash on site	Collected by Loomis, secure entrance, stored in safe, policies and procedures in place around income collection	1	2	Low

F02	Lack of funding/withdrawal of existing funding	MTFP in place. Balances and contingencies. Balances and earmarked reserves held and topped up each year. MTFP sets out commitments and how these will be funded for next 5 years	2	1	Low
F05	Incorrect VAT accounting/Breach of PE Limit	Finance Section has had VAT training. VAT implications of all capital projects in relation to partial exemption assessed and reviewed	1	1	Low
F06	Failure of Opera Financial Management System	Daily back-up of system. Support from TSG	1	2	Low
F07	Cash flow problems/shortfall of income	Cash flow regularly reviewed. Balances are held and a contingency sum is in place. Forecast model in place	1	1	Low
F08	Pension Fund shortfall	Contributions recently set for three-year period 2020/21 to 2022/23. No increase.	2	1	Low
F09	Failure to achieve efficiency savings to balance the Revenue Budget	Balances/contingencies held. MTFP sets out likely commitments and their funding for next 5 years, does not rely on efficiency savings. Service reviews to identify efficiencies	1	1	Low
F10	Lack of adequate ICT security	Daily back up of servers. Internet security software in place	1	2	Low
F11	Damage to building structure	Insurance policy in place	1	1	Low
F12	Lack of staff cover	Casual staff in place.	2	2	Medium
F16	Sickness absence affecting service delivery and morale	Policy in place, management team meetings, HR and occupational health support, sickness monitored	1	2	Medium
F17	High staff turnover affecting service delivery	Robust recruitment, monitoring and appraisals	1	1	Low
F18	Damage to building contents	Insurance policy in place. Inventory in place. Pre-school daily inspection	2	1	Low
F19	Theft from buildings	Assessment has been carried out and appropriate measures are in place	1	1	Low
F20	Wear and tear on fixtures and fittings	PAT testing, budget provision, checks in place	2	1	Low
F21	Lack of financial management and control	Qualified staff in place. Policy and procedures, internal and external audit in place	1	2	Low

Ref	Detail of Risk	Current Control	L'hood	Impact	Score
F25	Compensation claims against the Council	Policies and Procedures, maintenance programme, staff training, insurance	2	1	Low

F27	Bar price increased to unacceptable levels	Monitor and react. New contract has reduced pricing, currently maintaining gross profit	1	2	Low
F28	Lack of Investment of Council Surplus Balances	Constant monitoring. Use of AAA rated short term investments or high interest bank accounts only	1	2	Low
F35	Financial statements may be materially misstated due to fraud and error	Anti-Fraud & Corruption Policy, CIPFA qualified Finance Manager, Internal & external audit, policies & procedures, financial regulations	1	2	Medium
F37	Localisation of support for Council Tax and reduction/withdrawal of LCTSS grant in future	Update of MTFP looked at scenarios and impact on financial position. Balances held and contingency sum. Savings would be required if withdrawn. Programme of service reviews underway	2	3	High
F38	Changes in the future accounting & audit arrangements	Internal and external audits take place	2	1	Low
F39	Increases in the National Living Wage	Grading restructure undertaken. Future increases provided for in the Medium-Term Financial Plan.	2	2	Medium