

# Great Aycliffe Town Council

## 2024/25 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 and internal audit, providing financial advice, and training, 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 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 2024/25 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:-

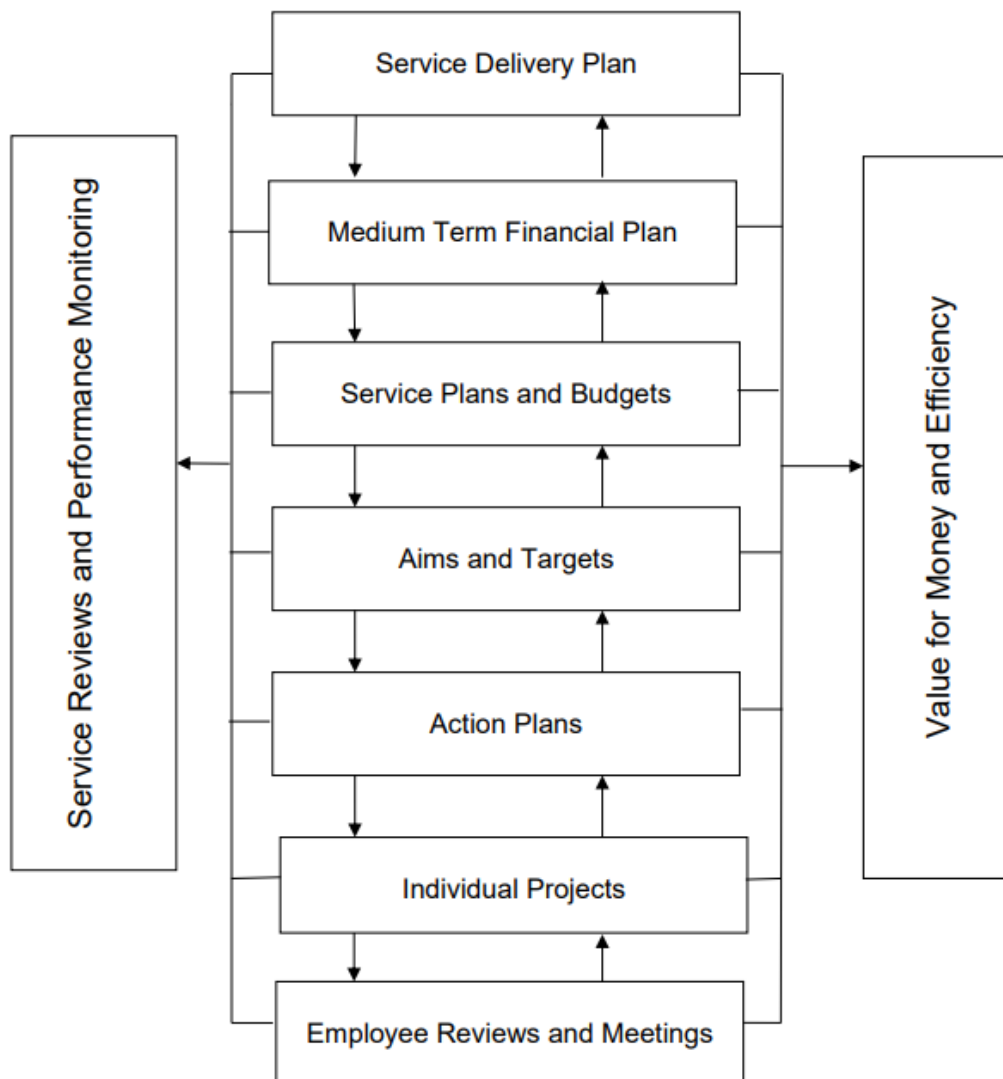
1. *To provide good quality governance and management of the Council.*
2. *To manage the council's finances and assets in a responsible manner.*

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 who 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;
- Managing 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 30<sup>th</sup> June each year.
3. To prepare the Council's annual Revenue and Capital Budgets for approval by the Council by no later than 31<sup>st</sup> January each year.
4. To update the Council's Medium-Term Financial Plan for approval by the Council by no later than 31<sup>st</sup> July 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 ensure that an efficient and effective internal audit service, in conjunction with the Internal Auditor, facilitating the annual review of 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 2023/24

Despite the ongoing challenges created by the cost-of-living crisis and the high rate of inflation over the early part of the year, the Council is projecting to end the 2023/24 year in strong financial health, forecasting a saving on its Revenue Budget and retaining healthy balances and reserves.

This is welcome news at a time when there continues to be significant inflationary pressure on running costs and when the Medium-Term Financial Plan continues to forecast significant capital investment commitments and diminishing balances and reserves over the medium to long-term.

This healthy financial situation meant that the Council was able to set a 2024/25 Revenue and Capital Budget that will enable all current services, facilities, and events to be provided to the usual high standards next year, and continued investment in community assets, and, despite the cut by Durham County Council in the Council Tax Support Grant, set a below inflation increase of 4.38% in the Town Council proportion of the Council Tax bill.

Whilst further financial challenges lie ahead, including ongoing cuts to the Council Tax Support Grant funding, significant pressure on staffing budgets linked to increases in the National Living Wage and higher than budgeted nationally agreed Local Government pay awards, as well as potentially significant capital investment commitments, and the ensuing depletion in the Council's balances and reserves that this will cause, the Council is well placed to maintain a strong financial position and will seek to manage these challenges via the forthcoming update of its Medium-Term Financial Plan.

The Council achieved another unqualified external audit report in relation to the Annual Governance and Accountability Return last year. 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.

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 and make a significant contribution towards achieving the section's overall aim of providing a quality financial support service to all employees and Members of the Council.

## 12.0 Finance 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><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Committed, experienced, well-trained, and multi-skilled staff.</li> <li>• Positive and flexible approach.</li> <li>• Good team working.</li> <li>• CIPFA qualified Finance Manager.</li> <li>• Continuous review of the service.</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Covering for sickness and holidays sometimes slows down the work of the Section due to its small size.</li> <li>• Full segregation of duties is sometimes difficult to achieve because of the small team.</li> <li>• Stretched capacity of the finance team due to the demands of the specialist nature of the work and small size of the team.</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Further development of the Financial Management System e.g. moving to a cloud-based, paperless system.</li> <li>• Utilising training opportunities in order to improve the existing skills and knowledge of staff.</li> <li>• Broadening the knowledge and experience of staff to further develop multi-skilling and the ability to effectively cover sickness and holidays.</li> <li>• New ideas from staff.</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Further increases in the National Living Wage and the associated impact on local government pay.</li> <li>• The Council's reliance on the Council Tax Support Grant to balance the Revenue Budget and the ongoing planned cuts.</li> <li>• Public sector spending cuts by the Government impacting upon the amount of grant paid.</li> <li>• New Government legislation and policy affecting the Council.</li> <li>• Inflationary pressures.</li> <li>• Difficulties in recruiting staff.</li> </ul>

## 13.0 Finance 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

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

## 14.0 2024/25 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.	Tracey Woodhead	31 <sup>st</sup> May 2024
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.	Tracey Woodhead	15 <sup>th</sup> May 2024 (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	Tracey Woodhead	31 <sup>st</sup> March 2025
Undertake research where appropriate for new financial policies and procedures.	To ensure that the Council has financial policies in place wherever relevant.	Tracey Woodhead	31 <sup>st</sup> March 2025
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.	Tracey Woodhead	31 <sup>st</sup> March 2025
Continue to 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.	Tracey Woodhead	31 <sup>st</sup> March 2025
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.	Tracey Woodhead	31 <sup>st</sup> October 2024

<b>Action</b>	<b>Outcome</b>	<b>Responsible Officer</b>	<b>By</b>
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 <sup>th</sup> June 2024 and ensure the audited Annual Return is published by no later than 30 <sup>th</sup> September 2024.	To meet statutory requirements.	Tracey Woodhead	30 <sup>th</sup> June 2024
Achieve an unqualified audit opinion from the external auditors by 30 <sup>th</sup> September 2024.	To provide assurance to the local community and ensure a good reputation.	Tracey Woodhead	30 <sup>th</sup> September 2024
Ensure that the Council's 2025/26 Budgets have been prepared and the Precept approved by 31 <sup>st</sup> January 2025.	To meet the County Council deadline and ensure a robust budget is in place.	Tracey Woodhead	31 <sup>st</sup> January 2025
Ensure that the Medium-Term Financial Plan is prepared and approved by 31 <sup>st</sup> July 2024.	To ensure that the Council has a sound financial strategy in place.	Tracey Woodhead	31 <sup>st</sup> July 2024
Manage the financial impact of the localisation of support for council tax and ongoing cuts to the Council Tax Support Grant funding.	To ensure that the Council can achieve a balanced Revenue Budget each year.	Tracey Woodhead	31 <sup>st</sup> March 2025
Ensure all relevant information is published in compliance with the Local Government Transparency Code and Openness of Local Government Regulations.	To meet statutory requirements.	Tracey Woodhead	31 <sup>st</sup> March 2025
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.	Tracey Woodhead	31 <sup>st</sup> March 2025

Action	Outcome	Responsible	Action
Assist in the on-going programme of financial reviews of all Council service areas.	To help review priorities and identify efficiency savings.	Tracey Woodhead	31 <sup>st</sup> March 2025
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.	Tracey Woodhead	31 <sup>st</sup> March 2025
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.	Tracey Woodhead	31 <sup>st</sup> March 2025
Deliver the Internal Audit Plan schedule of work and report to the Council's Audit, Risk and GDPR Sub Committee.	To ensure sound internal controls are in place and support prevention of fraud.	Internal Auditor / Tracey Woodhead	31 <sup>st</sup> March 2025
Undertake an annual budget consultation exercise.	To ensure consultation is undertaken with local taxpayers on the budget.	Tracey Woodhead	31 <sup>st</sup> December 2024
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.	Tracey Woodhead	31 <sup>st</sup> March 2025

## Finance Section Specific Actions

Action	Outcome	Responsible Officer	By
Complete all Government tax returns electronically by the relevant deadlines.	To meet statutory requirements.	Tracey Woodhead and Angela Blom	31 <sup>st</sup> March 2025
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.	Tracey Woodhead	31 <sup>st</sup> March 2025
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 <sup>st</sup> March 2025
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.	Tracey Woodhead	31 <sup>st</sup> March 2025
Ensure that monthly bank reconciliations are completed.	To ensure that bank reconciliations are promptly completed and up to date.	Angela Blom	31 <sup>st</sup> March 2025
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 <sup>st</sup> March 2025
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.	Rebecca Hannan	31 <sup>st</sup> March 2025

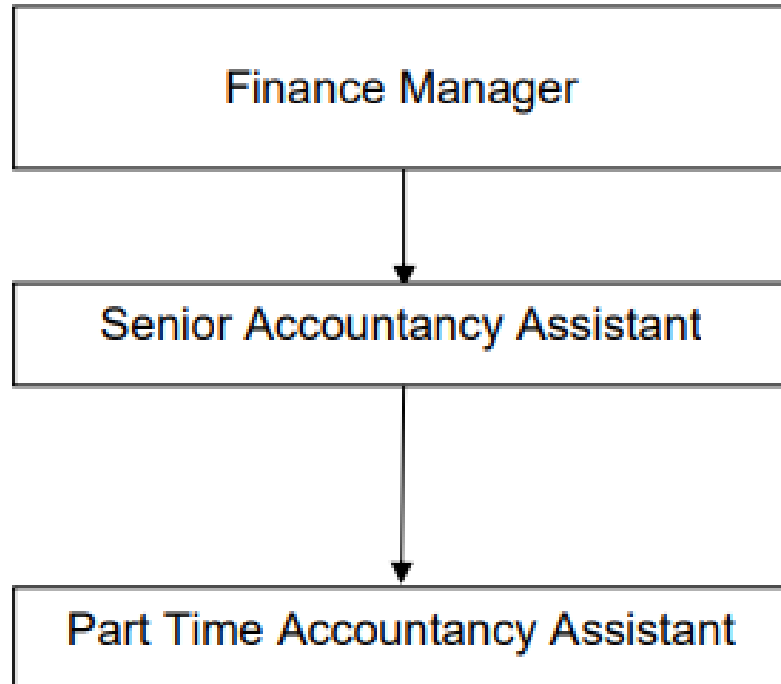
## 15.0 Finance Risk Assessment

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. High workload of finance staff.
3. Failure of the Opera Financial Management System.
4. Failure to keep abreast of and fully conversant with changing legislation and accounting proper practices.
5. Ongoing cuts to or the total withdrawal of the Council Tax Support Grant funding.
6. 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 in the medium-term.
7. 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.
8. Unforeseen and uncontrollable changes to the workload of the Section.
9. Significant increases in inflation.



**Appendix A - Finance Section Staffing Structure**



## Appendix B - Finance Section Revenue Budget Summary

Budget Description	Budget Holder	2024/25 Gross Budget	2024/25 Net Budget
Finance Section	Tracey Woodhead Finance Manager	£149,950	£99,850
<p><b>Purpose of the Budget:</b></p> <p>The main purpose of the Finance Section Budget is to provide the resources to ensure the efficient management of the Council's finances and the provision of an effective financial support service to members, officers, and front-line service areas.</p> <p>The Finance Section plays an important corporate role in meeting the statutory requirements with regard to the proper administration of the Council's financial affairs. This includes preparing the Council's accounts in accordance with proper practices, maintaining an effective system of internal control and internal audit, preparing the Medium-Term Financial Plan and annual budget, and ensuring accurate and up to date accounting records are maintained.</p> <p>The Finance Section also provides important support services to the Council's front-line service areas including payment of salaries and wages, payment of invoices, income collection and banking.</p> <p>Finally, the Finance Section Budget includes costs for the Council's Internal Audit Service which provides independent assurance on the Council's systems of internal control and governance arrangements, thereby helping to ensure the prevention of fraud, error, and other irregularities.</p>			
<p><b>Scope of Activity and Nature of the Service:</b></p> <p>The Finance Section is responsible for the following activities and functions:-</p> <ul style="list-style-type: none"> <li>- Managing and developing the Council's financial regulations, accounting systems, internal controls, financial records, and all financial policies and procedures;</li> <li>- Reporting on the Council's financial performance;</li> <li>- Preparing the Council's Revenue and Capital Budget;</li> <li>- Preparing the Council's Medium-Term Financial Plan;</li> <li>- Preparing the Council's Annual Governance and Accountability Return, incorporating the Accounting Statements and Annual Governance Statement;</li> <li>- Ensuring an effective system of budgetary control;</li> <li>- Managing an effective payroll and personnel support service;</li> <li>- Managing an effective income collection and banking system;</li> <li>- Managing the Council's insurance arrangements;</li> <li>- Providing an effective internal audit service;</li> <li>- Providing financial advice and training; and</li> <li>- Managing the administration of the Councils cash flow, loans, and investments.</li> </ul> <p>The majority of the Finance Section's responsibilities are statutory requirements as set out in the Local Government Act 2003 and Accounts and Audit Regulations 2015.</p> <p>The Finance Section currently employs three members of staff; the Finance Manager, Senior Accountancy Assistant and part-time Accountancy Assistant.</p>			
<p><b>Contribution to Council Aims:</b></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 Auditor's Report in the Annual Return in relation to the Council's Accounting Statements and Annual Governance Statement.

The Finance Section are also partly or fully responsible for the delivery of many of the corporate targets linked to Aims 1 and 2 within the Service Delivery Plan, as set out below:-

- Publish an Annual Financial Report.
- Undertake an annual review of the Council's Financial Regulations.
- Ensure compliance with the General Data Protection Regulation (GDPR).
- Undertake research where appropriate for new financial policies and procedures.
- Keep up to date with any changes in legislation and report to Council as and when required.
- Continue to monitor energy consumption, implement energy saving initiatives and reduce usage where possible.
- Ensure all staff have an annual appraisal.
- Undertake a quarterly review of staff sickness and report to Service Managers.
- Produce Annual Governance and Accountability Return (AGAR) by 30<sup>th</sup> June 2024.
- Achieve an unqualified audit opinion on the AGAR by 30<sup>th</sup> September 2024.
- Ensure the Medium-Term Financial Plan is approved by 31<sup>st</sup> July 2024.
- Deliver the Internal Audit Plan schedule of work, in conjunction with the Internal Auditor, and report regularly to the Audit, Risk and GDPR Sub Committee and Council.
- Manage the financial impact of ongoing cuts to the Local Council Tax Support Scheme funding.
- Ensure quarterly budgetary control reports are presented to Policy and Resources Committee.
- Ensure that the 2024/25 Council Budget is set and the Precept approved by 31<sup>st</sup> January 2025.
- Ensure all relevant information is published in compliance with the Local Government Transparency Code and Openness of Local Government Regulations.
- Undertake an annual update of the Council's Asset Register including the schedules of expected life and replacement costs for buildings, plant, vehicles, machinery, and equipment.
- Hold a budget setting consultation with residents at a central location prior to setting the annual budget.
- 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 the internal performance of the Finance Section each year.

## **Key Budget Changes for 2024/25**

The Finance Section Budget has increased by £2,050 to a net running cost of £199,850 per year.

This provides for increases in staffing costs arising from the forecast 2024/25 local government pay award, partly offset by savings on Internal Audit provision.

## **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, and in helping to ensure value for money for council taxpayers.

The 2024 'Your Parish, Your Choice, Your Voice' Satisfaction Survey provided some very positive feedback as to public satisfaction with the finances of the Council, with 71% of respondents believing that the Town Council Tax represented value for money.

## **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 for the support services provided e.g. payroll, payment of invoices, income collection, internal audit etc. These recharges total £50,100 per year.

## Appendix C

	Budget 2024/25 £
<b>Finance Section Revenue Budget</b>	
<b>Employee Costs</b>	
Employee and Employer Costs	134,650
Training	500
Employee Related Insurances	1,800
	136,950
<b>Transport Costs</b>	
Travelling and Subsistence	150
	150
<b>Supplies &amp; Services</b>	
Internal Audit Provision	12,200
Stationery	650
	12,850
<b>Gross Expenditure</b>	<b>149,950</b>
<b>Total Income</b>	
Recharges to Services	50,100
<b>Net Expenditure</b>	<b>99,850</b>

## 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	3	2	High
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	Cashflow 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	Awaiting new valuation. MTFP	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	2	2	Medium
F10	Lack of adequate ICT security	Back up of servers to the Cloud. Internet security software in place.	2	2	Medium
F11	Damage to building structure	Insurance policy in place	1	1	Low
F18	Damage to building contents	Insurance policy in place. Inventory in place. Periodic inspections and audits	2	1	Low
F19	Theft from buildings	Security risk assessment has been carried out and appropriate measures are in place	1	1	Low
F20	Wear and tear on fixtures and fittings	Maintenance budget provision and regular 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
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, Int & Ext audit, policies and procedures, financial regulations	1	2	Medium
F37	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 altogether. Programme of Service reviews underway	3	3	High
F38	Changes in the future accounting & audit arrangements	Internal and external audits take place	2	1	Low
F39	Increases in national living wage and local government pay increases	Future increases provided for in Medium Term Financial Plan.	3	3	High
F40	Inflationary pressure impacting on Council Budgets	Monitor through the financial planning process / MTFP	3	3	High
F41	Continuity of Internal Audit	Independent Internal Auditor now engaged	1	3	Medium