

POLICY & RESOURCES COMMITTEE

WEDNESDAY 9th OCTOBER 2019

EMPLOYMENT OF A PART-TIME RESPONSIBLE FINANCIAL OFFICER

1.0 PURPOSE OF THE REPORT

- 1.1 To consider and approve the appointment of a part-time Responsible Financial Officer

2.0 BACKGROUND

- 2.1 Under Section 151 of the Local Government Act 1972, local councils are required to employ a Responsible Financial Officer.
- 2.2 Currently, the Responsible Financial Officer role is undertaken by the Town Clerk. This is a variable workload with increased focus at specific times of the year to satisfy requirements for internal and external audit.
- 2.3 The Town Clerk contacted a number of larger Local Councils in South Wales regarding the RFO role. The picture across south Wales is mixed. Larger councils employ a Deputy Clerk who also performs the RFO role, however there are a number of Councils who employ a part time RFO. One such council is Monmouth Town Council where they employ a RFO for 16 hours a week.

3.0 RESPONSIBILITIES OF THE RFO

- 3.1 The current RFO responsibilities as set out in the Town Clerk job description are as follows.

1. Financial Governance and Accountability
- a) To monitor and effectively manage the Town Council's finances in accordance with its financial regulations and advise the Town Council on a financial strategy that will meet its finance and policy objectives and ensure that the accounts are maintained in accordance with the requirements of the Accounts and Audit Regulations and the Practitioner's Guide on Governance and Accountability 2011 (as amended in December, 2014).
- b) To administer the payroll including PAYE, NI and pension arrangements and to ensure that expenses (including those claimed by members), petty cash, sickness, annual holiday and TOIL are managed in accordance with Town Council policies.

- c) To prepare a detailed annual budget and precept assessment for the Town Council's approval having ensured that all appropriate Committees have had the opportunity to engage with the process.
- d) To prepare forward looking budget assessments in support of the Town Council's business planning needs.
- e) To make appropriate banking arrangements.
- f) To maintain the cash book and ensure that all supporting documentation is maintained to provide the required audit trail.
- g) To ensure that all payments made to the Town Council are properly recorded and that income is banked on a regular basis.
- h) To manage the Town Council's bank accounts in order to achieve an effective cash flow and to manage the Town Council's investments in accordance with the approved Investment Strategy.
- i) To ensure that the accountancy system is effectively administered and that finances are administered within the approved budget.
- j) To supervise the work of staff involved in the operation of the purchase ledger and payments system, sales ledger and cashbook and ensure that bank reconciliations are completed on a monthly basis and VAT returns are completed and submitted to HMRC in compliance with established deadlines.
- k) To ensure that appropriate arrangements are in place for internal audit and that an engagement letter has been issued to the appointed individual/company.
- l) To liaise with the Internal Auditor and External Auditor in relation to the financial affairs of the Town Council.
- m) To ensure that schedules for payment are presented to the Town Council or a designated Committee for approval.
- n) To provide accurate financial information, reports, advice, monitoring information and forecasts to assist the Town Council in making effective decisions.
- o) To administer the Town Council's loans, leasing and such other capital financing arrangements as may be required.
- p) To ensure that the Town Council's obligations to insure are properly met.
- q) As the Town Council's role develops, to continually appraise financial arrangements and to seek to develop a system whereby financial information can be built into quality performance measures.

4. **PROPOSAL**

- 4.1 With the setting up of a new Committee Structure and increased scrutiny of budgets by the delegated Committees, new reports will need to be prepared. It is therefore timely to reflect whether the current officer support is sufficient.
- 4.2 Since coming into the post, the Town Clerk quickly established that there are many issues that need addressing such as lack of policies, poor documentation and record keeping just to ensure that the Council is operating in a lawful manner. This is being addressed as time allows. This process would be speeded up should the Town Clerk have less RFO duties.
- 4.3 In addition, the Town Council has taken steps to become a more responsive Council with the publication of a strategy & action plan and implementation of a number of actions/projects. Moving this action plan forward, reviewing and monitoring and implementing projects takes time particularly if seeking to work in partnership with other organisations.
- 4.4 To allow, the Town Clerk to focus on moving the Town Council forward and to ensure that the financial matters are given the attention required it is proposed that the Council considers the employment of an RFO. Should the Council decide in the future to progress the Town Crew or take on additional services, this will require financial monitoring &/or awarding of new contracts which would be a role for the RFO. New services would also require increased input and oversight from the Town Clerk so time that is freed up by employing an RFO could partly be used to supervise new services.
- 4.5 The proposal is for 12 hours a week as the Town Clerk will retain some of the 'financial tasks' such as managing the grant scheme and applying for funding as these responsibilities offer opportunities for identifying partnership working. The Town Clerk will also assist with preparing the necessary policies and ensuring good governance is in place.
- 4.6 The new office will be larger and will be able to accommodate 3 members of staff. It should be noted that the temporary accommodation may extend until March 2020 so the employment of an RFO would not be ideal during this time period.
- 4.7 The Town Clerk would be responsible for the RFO and for ensuring that the Town Council complies with the statutory requirements as set out in Governance & Accountability and its own governance documents.
- 4.8 The proposed salary level will be SCP 24-28 (2019 pay award £27,905-£31,371) plus 25% on costs. This will give a FTE figure of £34,881- £39,214 so pro rata for 12 hours a week would give an annual figure £11,161 - £12,548.

- 4.9 The financial software package is already set up on a multi-user licence so no additional costs would be incurred.
- 4.10 There will be costs associated with the purchase of a desk, chair and PC.
- 4.11 Under the Scheme of Delegation, recruitment of Town Clerk and RFO will be via a Recruitment Panel consisting of five Councillors. Normally, these five councillors will be appointed at the Annual May meeting however as the Recruitment Panel will need to be convened prior to May, volunteers will be sought.

5. RECOMMENDATIONS

- 5.1 To agree to recruit a part-time RFO starting April 2020 with the associated increase in salaries budget.
- 5.2 For the Town Clerk to prepare the job description and person specification
- 5.3 For five Councillors to volunteer to form the Recruitment Panel.