

Paper for item 3/3.1

Summary

Money is available from the Transparency Fund to reimburse this Council for the costs involved in complying with Transparency set up. The fund will run for a three-year period and is unfortunately finite. It has been suggested to me that an early application is the best way to proceed but that the application needs the approval of a full Council meeting. The claim for grant money has to be made via our County Association and if we can make a claim by 14 October money should be released at the beginning of December 2015.

Report

I would like to start this report by first giving some background to the Transparency Code for Smaller Authorities.

From 1 April 2015 the Transparency Code for Smaller Authorities applies to Councils with a turnover not exceeding £25,000. To comply with these regulations authorities must do a number of things:

1. These authorities must publish draft minutes from all formal meetings (i.e. full Council of committee meetings subcommittee meetings) not later than one month after the meeting has taken place. They must also publish meeting agendas which are as full as possible, and associated meeting papers not later than three clear days before the meeting to which they relate is taking place. Parish meetings are exempt from the code.
2. By 1 July 2015 and no later than 1 July in each subsequent year the following must be published:
 - A. All items of income and expenditure above £100.
 - B. End of year accounts, annual governance statement, and internal audit report (as contained in the annual return). The end of year accounts must be accompanied by a copy of the bank reconciliation for the financial year; an explanation of any significant variances (e.g. more than 10-15%, in line with proper practices) in the statement of accounts for the relevant year and previous year; and an explanation of any differences between balances carried forward and total cash and short-term investments, if applicable.
3. There will still be an external auditor (despite the demise of the audit commission) who will continue to set the dates for public inspection of the 2014/15 local council accounts. However from 1 April 2016 subject to certain requirements, the smaller authorities Responsible Financial Officer (RFO) will have some discretion to set the 30 day period for the inspection of the 2015/16 accounts.
4. By 31 December 2016 and no later than 31 December each subsequent year's smaller authorities must have appointed an external auditor to undertake an assurance review of the 2017/18 accounts. A new appointing body will have powers to appoint auditors and set audit fees for smaller authorities. These arrangements for a sector led body are likely to be supported by the National Association of local councils and local affiliated associations will ensure you have further information as soon as it is available. Local councils will be able to cope opt-out and make the auditor appointment themselves.
5. From the 2017/18 financial year smaller authorities whose annual turnover does not exceed £25,000 will, in most circumstances, be exempt from undergoing a routine external audit. They must meet requirements set out in the Transparency Code for Smaller Authorities instead.

However an auditor must be available to deal with any questions or objection made by an elector to the accounts of these authorities. Exempt authorities that decide to use

and appointing bodies arrangements will not have to have an auditor appointed automatically. If an elector wishes to question or object to the accounts, they will have to contact the appointing body who will assign an auditor to deal with the matter. If the authorities turnover rises above £25,000 during the year it must tell the appointing body and the appointing body will appoint an auditor for that year. Exempt authorities that opt out of the appointing bodies arrangements will be required to appoint their own auditors as if they were not exempt. The auditor of an exempt authority will not undertake an external audit but will need to be available to deal with questions or objections from local electors about the accounts. Smaller authorities above the £25,000 threshold continue to be subject to routine external audit but can use the appointing bodies auditor appointment arrangements or can opt out and make their own arrangements. Smaller authorities (exempt and non-exempt) that choose to opt out of the appointing bodies arrangements have to make the decision at full council; notify the appointing body of their decision by a set deadline; establish an independent auditor panel to advise on the appointment of the auditor; and brick your own auditor either alone or collectively with others. Not exempt smaller authorities that use the appointing bodies arrangements will not need to establish an independent auditor panel and will have an auditor appointed for them.

Discussion

The above changes are statutory and significantly different from the current arrangements. They are to some degree experimental in as much as only local authorities with a turnover of less than £25,000 currently are “having to jump through hoops”. There is quite a lot to take in but initially points 1 to 3 are of most significance to us as a council. We are already complying with the points outlined in points 1 and 2. Point 3 is of minor significance because the current system allows us to notify our auditors of any change we wish to make to the dates for the viewing of accounts. There are clear time limits for complying with items 4 & 5 the first being December 2016 and we can expect NALC to make recommendations regarding compliance.

The government’s recommendation for the display of online transparency data is that it be displayed for a minimum of six years.

Because of the effect that the regulations are having on smaller authorities a transparency fund has been set up to reimburse smaller authorities. We can claim for a number of things, these include:

- Computing facilities (i.e. a laptop valued up to £350 but not a printer)
- Scanner valued up to £100 (a scanner incorporated into a printer would be allowed and is available within the price constraints)
- Cost of connection to the Internet i.e. wiring a route having a telephone line/cable connected or made live.
- Cost of hosting a website
- Cost of designing a website
- Cost of maintaining a website
- Cost of training
- Cost of the time taken to achieve transparency
- Cost of the time to keep compliant with the regulations

The fund is finite (I believe it to be about £4.3 million per annum for the next three years) and only applies to purchases and work carried out after 1 April 2015. The indications are that currently few smaller authorities are aware of the fund and that an early application for funds is more likely to be met than one later in the year. An application for funds can be made in advance of any payments for equipment and the application must be approved before

submission at a full Council Meeting and if funds are awarded a check will be made after three months by the County authority that funds will be spent correctly.

Clearly there are areas that we cannot currently apply for such as the cost of connection to the Internet etc as we have no building of our own. However there are things that we can claim for.

I suggest that we can apply for some of the costs of hosting our website; payments for my labour in complying with the regulations in the first place and secondly for maintaining the site on a monthly basis, training (i.e. the briefing that I'm reporting on).

I also feel strongly that you should purchase a laptop computer and scanner. It is important that data be passed from this Parish Clerk to subsequent Thompson Parish Clerks and that is easiest done if all the Council work is transacted using the Parish Council's own computer.

Similarly a scanner would ensure that should this Council get more permanent premises than currently available (i.e. perhaps office space in the proposed Community Hall) the above equipment would be necessary to comply with regulations. I believe an early meeting is required to allow a prompt application for grant funds.

Taking all items into account I believe that we can initially claim a little over £750. About £450 would need to be spent and the rest go to Council funds to offset training, set up and labour costs for complying with the regulation for financial year 01 April 2015 to 31 March 2016.