

## **The undertaking of Financial reporting and Accounting on behalf of Southern Coast Group and SCOPAC (Coastal Group)**

### **Budget setting**

- 1.1 Budget years will run from 1<sup>st</sup> April to 31<sup>st</sup> March. Budgets will be set on an annual basis.
- 1.2 Budgets for the year ahead are agreed in advance by the Group.
- 1.3 Budgets are allocated via the Coastal Group Business Plan in collaboration with action leads considering the available funds and relative priority of each activity. The Business plan will be agreed at the start of each financial year. Action leads are responsible for monitoring spend in line with the budget allocated with support from the host authority financial assurance staff.

### **Authorisation**

- 2.1 Invoices received will normally be authorized for payment by the relevant action lead of the Coastal Group.
- 2.2 If the invoice is raised by the action lead of an organisation with which he/she is associated, payment will be authorised by the Chairman or one of the Vice Chairmen.
- 2.3 Payments for the following activities will be made by the host Authority without further authorisation, following minuted agreement of the annual budget by the Coastal Group.
  - Secretary costs
  - Treasurer costs
  - Chairman fees
- 2.4 Expenses incurred by the Chairman will be authorised by one of the Vice Chairmen.
- 2.5 Procurement is conducted and authorised in accordance with the host authority's Standing Orders, Financial Regulations and Procurement Rules unless otherwise agreed by the Group.
- 2.6 Chairman has discretion to approve initiatives on behalf of the Group outside of those identified within the Business Plan up to a maximum sum of £20k per transaction but in consultation with the Vice Chairman but all such approvals shall be reported back to the Group at the next scheduled meeting.

### **Financial Reporting and Financial Transactions**

- 3.1 Coastal Group accounts and budgets will be hosted by Havant Borough Council and managed by Coastal Partners Financial Assurance staff. Currently the host authority is Havant Borough Council but could change from time to time with agreement from the Group.

- 3.2 Review transactions quarterly and report to the Group twice a year detailing a tabulation of expenditure against projected cost.
- 3.3 All accounting transactions relating to the Coastal Group will be recorded in the host authority's financial system.
- 3.4 All accounts for the Coastal Group will be accounted for under an identifiable cost centre within the host authority and only transactions that relate directly to the Coastal Group activities will be recorded there.
- 3.5 Each member will make available any reports, invoices or any other evidence of income or expenditure available to any of the Coastal Group members on request relevant to the Group.

#### Allowable and Disallowable costs

- 4.1 Action leads have authority for all expenditure agreed in the Business Plan.
- 4.2 Any other costs that are incurred by any member requires either prior approval by the Group or confirmation from the Chairman or they could be disallowable and will be borne by the member who has incurred them.

#### Annual Membership Fee

- 5.1 Annual membership fees are to be agreed at the annual budget setting meeting.
- 5.2 Membership fees will be raised by the host authority at the beginning of the financial year for the forthcoming year and generated by the host authority's financial system.
- 5.3 Payment of invoices for annual membership will be paid in a timely manner
- 5.4 All partner members will undertake to follow the same commitment to ensure they raise purchase orders, accounts payable and accounts receivable invoices in a timely manner.
- 5.5 The recovery of overdue payments will be carried out in accordance with the host authority's policies and procedures.

5.6 Table of Membership Fees. These were the fees set for the financial year 2021/22 and will be reviewed annually when setting the budget under item 5.1.

	Full Member	Associate Member	Mailing List Member
Balfour Beatty			£72.75
Beaulieu Manor Estate		£436.46	
BCP Council	£6,500.00		
Boskalis			£72.75
Chichester District Council	£2,000.00		
Chichester Harbour Conservancy		£436.46	
The Crown Estate		£436.46	
Dorset Council	£6,500.00		
Eastleigh Borough Council		£436.46	
Environment Agency	£6,000.00		
Fareham Borough Council	£2,600.00		
Gosport Borough Council	£2,600.00		
Hampshire County Council			£72.75
Havant Borough Council	£2,600.00		
Isle of Wight Council	£2,000.00		
New Forest District Council	£2,600.00		
Portsmouth City Council	£2,600.00		
University of Portsmouth			£72.75
Solent Forum			£72.75
Southampton City Council		£436.46	
Wessex Council			£72.75

### Audit

6.1 The host authority shall arrange an annual internal audit of the accounts.

### VAT

7.1 Each Member is required to ensure that it accounts for all tax in line with HMRC guidance

7.2 SCOPAC has been created as an unconstituted local authority partnership which has identified Havant Borough Council as the single lead partner to deliver all partnership functions. Under the local authority partnership guidance published by HMRC/Cipfa the recharges between the lead partner and the other partners will be outside the scope of VAT.

## Award of funding

8.1 Where possible, research and management activities will be undertaken by full member organisations. If suitable skills are not available within the membership, these activities will be awarded to suitable consultants following invitation to either provide priced proposals or by tender. The tender lists are likely to be for specialist activities and will be developed by invitation of the research sub-group, as agreed by the Coastal Group membership.

8.2 Calls for potential research projects from full members will be made at the Coastal Group meetings at the start of each 5-year research programme. Full members bidding to undertake work will be expected to provide a written proposal and demonstrate that suitably experienced resources are available to undertake the activities. Consideration of these proposals will be reviewed initially by the Research Sub Group as appropriate and with subsequent endorsement by the Coastal Group full members.

8.3 In the event of divided opinion on the appointment, each full member organisation will have a single vote (EA will have 2 votes). In the event of a tie, a casting vote will be given by the Chairman. If an organisation with which the Chairman is associated has bid for the work, the casting vote will be passed to one of the vice chairmen, who should not be associated with one of the bidders.

8.4 Approval to spend will be sought from the Coastal Group initially through the budget. Approvals will be minuted at the appropriate Coastal Group meeting and a written instruction provided by either the Chairman or one of the vice chairmen.

8.5 Where external funding is sought to deliver a project, a lead organisation will be sought to manage that project and the project will be managed in accordance with the standing orders of that organisation. A minute will be recorded to agree the lead organisation for a project. The lead organisation will report progress to the Coastal Group sub-group as appropriate.

## Group Member recharge rates

9.1 An appropriate rate build up should be provided to the Host Authority when recovering costs which will need to be generally consistent with the Grant Aid Memorandum guidance for Risk Management Authorities undertaking Coast Protection Works and be approved by the Chairman of the Group. A schedule of member recharge rates for those authorities recharging to the Group will be held by the Treasurer and can be made available for inspection by any member of the Group. Assistance can be provided from the Treasurer should an authority need any assistance setting the appropriate recharge rate for their officers to ensure appropriate and fair reimbursement of officer costs and overheads.

**Created:** 9<sup>th</sup> May 2021 **Version:4**

**Contact Officer:** Lorraine Horsted .

**Job Title:** Coastal Business Partner

**Telephone:** 02392 446356

**E-Mail:** [lorraine.horsted@havant.gov.uk](mailto:lorraine.horsted@havant.gov.uk)