

Surrey LPC Financial Management Policy

Purpose of the policy

The LPC financial management policy is in place to ensure the LPC levy income is collected, managed, spent and accounted for in accordance with the LPC constitution and good financial governance.

Accountability

The LPC Treasurer is accountable to the LPC for those aspects with the Treasurers remit. The LPC is accountable to contractors for all aspects of LPC finance.

The members of the LPC

The LPC Treasurer is an important role and the LPC will ensure the Treasurer has the skills and any necessary support to discharge his/her duties.

The LPC has a duty to exercise good financial management and will ensure that LPC members have sufficient training to carry out the role.

The LPC will monitor the LPC's adherence to the financial management section of the LPC Self Evaluation document and will strive to achieve the highest levels.

Finance subcommittee

The LPC will establish a Finance subcommittee if necessary to carry out detailed scrutiny of LPC financial matters, applying PSNC's Terms of Reference for Finance Subcommittees or similar.

Budgeting

The LPC budget will be based on a workplan agreed by the LPC and spend against budget monitored over the year. The LPC will consider if a zero-based budget is appropriate (guided by PSNC's guide to zero based budgeting or similar). In agreeing the budget, the LPC will satisfy itself that the LPC's structure and operations provide a cost-effective service to contractors.

Governance

The highest levels of governance will be applied to the management of LPC finances, including any financial arrangements with an LPC supported provider company. The LPC Governance Lead may review or investigate any aspect of financial governance.

Financial Reserves

The committee will hold no more than six months operating costs in its reserves. Should it become necessary to increase the reserves, for forward investment as part of the LPC's strategic plan, the increase shall be approved by the LPC and the justifications recorded in the minutes, providing sufficient information for contractors to understand the need for increasing the reserves.

The LPC will review and adjust the reserves where necessary to either reduce the excess or maintain reserves at six months operating costs or reasonable reserves as approved by the committee and set the levy annually to maintain this position.

This policy was adopted by Surrey LPC on 17/11/21.