

SHERBURN IN ELMET PARISH COUNCIL (SEPC)

TERMS OF REFERENCE

ADOPTED 16/05/2022

TO BE REVIEWED: MAY 2023

FINANCE AND GOVERNANCE COMMITTEE

Membership – 5 Members

To be appointed annually at the Annual Meeting of the Parish Council each year or when a vacancy occurs

- The Finance and Governance Committee to consist of 5 members.
- The Chairman is to be elected annually by the Finance and Governance Committee at the first meeting after the Annual Council meeting of Sherburn in Elmet Parish Council and shall hold office until the next Annual Council.
- The quorum of the Committee is 3.

- Members of the committee may undertake training from time to time to support their role; this will be done in conjunction with the YLCA and with regard to the Council's training budget.

Role

The Finance and Corporate Governance Committee is responsible all aspects of financial management of the council are carried out in accordance with council's Financial Regulations and Proper Practices for Local Council Financial Administration as defined in The Practitioners Guide.

Meetings and administration:

- Ordinary meetings of the SEPC Finance and Governance Committee will be held monthly
- The SEPC Proper Officer will convene ordinary meetings of the Finance and Governance Committee.
- Members will be summoned to attend meetings which will be held in Eversley Park Centre
- Public Notice of the meeting shall be given in accordance with Schedule 12, Para 10(2) of the Local Government Act 1972.
- SEPC Standing Orders will apply to all meetings of this Committee.
- All resolutions shall be recorded in the minutes of the meetings.
- Minutes of SEPC Finance and Governance Committee meetings will be approved at the next meeting of this Committee.
- Minutes of all meetings will be recorded by the RFO and circulated to all members of SEPC for information.
- Every meeting of the SEPC Finance and Governance Committee will include a 20-minute public participation session.

Accountability:

The SEPC Finance and Governance Committee has delegated powers to act and make decisions on behalf of the full council in relation to the defined terms of reference only.

Any matters outside the remit of SEPC Finance and Governance Committee's terms of reference shall be referred to the full council as recommendations for consideration.

Scope:

Internal Controls and Accounts for Payment

- The committee is responsible for reviewing the cash book prepared by the RFO monthly to ensure it is being kept up to date and is accurate
- The committee is responsible for reviewing and approving bank reconciliations prepared by the RFO monthly and ensuring accuracy.
- The committee is responsible for cross-referencing the council's bank statements with the cash book and bank reconciliations on a monthly basis
- The committee is responsible for checking all accounts for payments to ensure:
 - The payments have been properly authorised with relevant minutes and Purchase Orders where necessary
 - The payments correspond with the invoiced and quotes amounts
 - The services/goods have been completed/received before payment is approved

NOTE: Where the committee is satisfied that all payments have been checked, the Chairman of the committee will sign the Accounts for Payment document – to authorise payment

The RFO will retain the signed document.

- The committee is responsible for checking that the correct powers are being used for decisions and expenditure and recorded in the minutes, cash book and budget monitoring sheet (including expenditure using of S137 LGA 1972)
- The committee is responsible for checking that all income due to the council is being collected promptly and in full
- The committee is responsible for checking that relevant receipts have been issued
- The committee is responsible for checking that all income is being properly controlled pending being paid into the bank (in accordance with the council's Financial Regulations)
- The committee is responsible for checking VAT paid is properly recorded in the cash book
- The committee is responsible for checking VAT refunds are properly submitted in a timely manner. VAT should be reclaimed annually, or as soon as possible when the council has incurred VAT over £1,000 in value.
- The committee is responsible for checking that Petty Cash is being properly controlled and recorded in line with the council's Financial Regulations monthly
- The committee is responsible for checking that HMRC liabilities have been met and that P32s are accurate and cross-checked with staff wage slips.
- The committee is responsible for ensuring pension contributions are processed.
- The committee is responsible for keeping a signed log to record that these checks have been completed. The RFO will retain the signed document as evidence of these Internal Controls.

- **Budget:**
- The committee is responsible for working with the CRFO to draft the council's annual budget and making recommendations to full council to consider
- The committee is responsible for reviewing the budget monitoring sheet on a monthly basis and reporting back to full council any areas of concern
- The committee is responsible for considering any necessary adjustments to the council budget throughout the year and making recommendations to full council to consider.
- **Documents, Policies and Audit:**
- The committee is responsible for reviewing the council's Financial Regulations on an annual basis (or as legislative provisions or best practice requires) and implementing any amendments required.
- The committee is responsible for reviewing the Financial Risk Assessment on an annual basis and implementing any amendments required.
- The committee is responsible for reviewing the council's insurance provision and relevant documentation (at least annually) and implementing any amendments required.
- The committee is responsible for appointment of an independent and competent Internal Auditor annually
- The committee is responsible for reviewing the Independent Internal Audit Reports and implementing recommendations of the Internal Auditor
- The committee is responsible for reviewing the External Auditor's Report and implementing recommendations of the External Auditor
- The committee is responsible for reviewing the draft AGAR documents and making recommendations to full council to consider
- The committee is responsible for verifying that the AGAR documents have been submitted correctly and on time to avoid penalties for the council
- The committee is responsible for reviewing the council's expenses policy (for councillors and officers) and implementing any amendments required.
- The committee is responsible for reviewing the Chairman's Allowance Policy on an annual basis and implementing any amendments required.
- The committee is responsible for reviewing the Council's Standing Orders on an annual basis and making recommendations to full Council on any amendments required.
- The committee will be responsible for monitoring all activity related to compliance with Data Protection and GDPR and ensuring the council, as the Data Controller provides evidence of its compliance.
- **Grant Applications:**

- The committee is responsible for reviewing and implementing the Council's Grants Awarding Policy/Terms of Reference, Application Form and Terms and Conditions on an annual basis.
- The committee is responsible for reviewing all Grant Applications to assess compliance to the councils Grant Awarding Terms of Reference
- The committee is responsible for ensuring the Grant Application process is being adhered to including signed Terms and Conditions and submission of receipts and reports
- The committee will have the delegated power to approve financial awards (grants) in line with the Councils Grants Awarding Policy and Grants budget Provision

Review

The Finance and Corporate Governance Committee terms of reference are to be reviewed annually at the first meeting after the Annual Council meeting.
Any recommendations for change will be submitted to the next ordinary meeting of SEPC for consideration.

