



## **Finance and Corporate Governance Committee Terms of Reference**

**Approved: 18<sup>th</sup> January 2024**

**Minute Reference: 138/FC/2324a.**

**Review date: May 2024**

***M Eyre***

**Signed by: Chair, Councillor Martin Eyre**

### **Membership:**

Nine Councillors.

Members will be appointed annually by the council at the Annual Meeting of the Parish Council in May.

- The Chairman and Vice-Chairman of the Committee are to be elected annually by the Finance and Corporate Governance Committee at the first meeting after the Annual Council meeting of Kippax Parish Council and shall hold office until the next Annual Council meeting
- The quorum of the Committee is 3 voting members

### **Role**

The Finance and Corporate Governance Committee is responsible for ensuring the Internal Controls (listed below) are carried out in accordance with the council's Financial Regulations and all matters relating to finance and corporate governance are reviewed and referred to the council for consideration.

### **Meetings**

Meetings of the Finance and Corporate Governance Committee will take place on the Monday of the week before the full council meeting each month. Extraordinary meetings of the Finance and Corporate Governance Committee can be convened by the Chairman of the committee as and when necessary, if the Chairman of the committee does not call an extraordinary meeting within 2 days of having been requested to do so by 2 members of the committee, any 2 members of the committee may convene an extraordinary meeting of the committee.

Members will be summoned to attend meetings which will be held in a venue in Kippax and Public Notice of the Meeting shall be given in accordance with Schedule 12, Para 10(2) or the Local Government Act 1972. The committee shall abide by the Standing Orders adopted by Kippax Parish Council.

The committee Chairman will preside at meeting, or in their absence a Vice-Chairman. If neither the Chairman or Vice-Chairman are present, the first item should be to appoint a member councillor to preside at the meeting as Chairman.

## **Documentation**

Agendas will be prepared by the Clerk and published in accordance with Kippax Parish Council's Standing Orders and Administration of Agendas and Minutes policy. The meeting is not required to include a public forum.

Minutes of the meetings will be recorded by the Clerk and ratified by the Finance and Corporate Governance. The minutes will be circulated to full council for information and published on the council's website.

The Accounts for Payment document and any other relevant documents considered by the committee will be circulated to full council for consideration with the agenda for the next meeting.

## **Accountability**

The Finance and Corporate Governance Committee does not have any delegated powers make decisions and is required to refer all decisions to full council for consideration as well as any matters of concern.

## **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 the bank reconciliations prepared by the RFO monthly and ensuring it is accurate
- 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

If satisfied that all payments have been checked, the Chairman of the committee should sign the Accounts for Payment document and the committee will make recommendations to full council for consideration. The RFO will retain the signed document.

- Where the committee is not satisfied with any accounts for payments, the committee should report their concerns to full council for consideration
- 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 (particularly in the case of S137)
- The committee is responsible for checking that all cheques have been completed correctly before being signed
- The committee is responsible for checking that all cheque counterfoils are initialled by the signatories

- 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 are being given
- 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 cheques raised monthly
- The committee is responsible for checking that relevant Pension contributions are being made by the council monthly
- 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.

## **Budgets**

- The committee is responsible for working with the Clerk/RFO 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 Audits**

- The committee is responsible for reviewing the council's Financial Regulations on an annual basis (or as legislative provisions or best practice requires) and making recommendations to full council to consider
- The committee is responsible for reviewing the Financial Risk Assessment on an annual basis and making recommendations to full council to consider
- The committee is responsible for checking the Asset Register is updated and accurate and that relevant programmes of inspections and maintenance are being carried out on council assets
- The committee is responsible for reviewing the council's insurance provision and relevant documentation (at least annually) and making recommendations to full council to consider

- The committee is responsible for considering which Independent Internal Auditor to appoint (at least) annually and making recommendations to full council to consider
- The committee is responsible for reviewing the Independent Internal Audit Reports and making recommendations to be acted on to full council to consider
- The committee is responsible for reviewing the External Auditor's Report and making recommendations to be acted on to full council to consider
- The committee is responsible for reviewing the draft AGAR documents and making recommendations to full council to consider
- The committee is responsible for checking 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) on an annual basis and making recommendations to full council for consideration
- The committee is responsible for reviewing the Chairman's Allowance Policy on an annual basis and making recommendations to full council for consideration

### **Grant Applications**

- The committee is responsible for reviewing the Grants Awarding Policy/Terms of Reference, Application Form and Terms and Conditions on an annual basis and making recommendations to full council to consider
- The committee is responsible for checking that all Grant Applications adhere to the councils Grant Awarding Terms of Reference and making recommendations to full council to consider
- 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 circulate reports to the Communications Group for publication in the magazine, website and social media

### **Data Protection and Freedom of Information:**

- After the council has received GDPR training and implemented necessary measures, this committee will be responsible for monitoring all activity related to GDPR and the council will review and amend these Terms of Reference accordingly.
- The committee will be responsible for checking YLCA and NALC updates are being considered and implemented by the Clerk/RFO, or referred to council for consideration
- Members of the committee may undertake training from time to time to support their role; this will be done in conjunction with the Clerk and with regard to the Council's training budget.

### **Review**

The Finance and Corporate Governance Committee terms of reference are to be reviewed annually at the Annual meeting of the Council.