

Finance & Risk Committee Terms of Reference

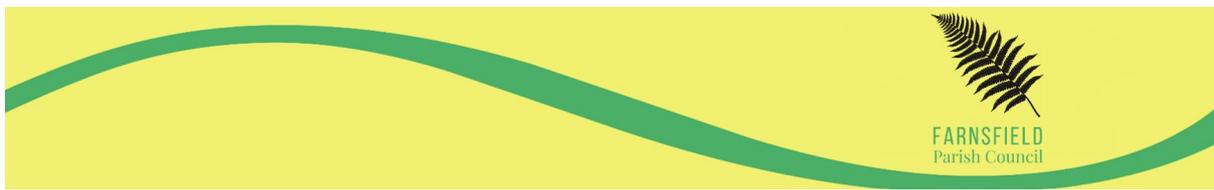
The committee is responsible for providing financial oversight for Council. Members of the Committee must be mindful of the need for Council to follow proper practice and must be familiar with Council's financial regulations. Proper practices are set out in Sections 1 and 2 of "Governance and Accountability for Smaller Authorities in England" (the "Practitioners' Guide"). The advice contained in Sections 1 and 2 has statutory force and must be implemented by local councils.

Membership and Operation

1. The Committee comprises five councillors confirmed at the Annual Council meeting.
2. The Chairman and Vice-Chairman of Council are ex-officio members with full voting rights.
3. The quorum will be four of the committee members.
4. Changes in membership to be approved by full Council.
5. The Committee will meet at least quarterly.
6. The Committee chairman is appointed by full Council and will have a casting vote in the event of a tied vote.
7. The Committee will give a report after each meeting to the following full Council meeting.
8. The Committee is governed by Farnsfield Parish Council's Standing Orders, Financial Regulations and Code of Conduct and all other relevant policies.
9. The Committee can authorise spend from a relevant budget as defined in the scheme of delegation up to £5000.

Powers and Responsibilities

- By the end of November submit a draft budget to include spending plans and income expectations for the forthcoming year to Council for approval in January. Spending plans should consider Council's objectives for the coming year, any planned capital projects and input from other committees and will be used to inform the precept requirement.
- Monitor actual and forecast spend against agreed budget quarterly and report to full council with any recommendations.
- Verify all bank reconciliations against bank statements at least quarterly and report the outcome, including any exceptions, to Council.
- Scrutinise expenditure to ensure proper practice is followed and good value for money is achieved.
- Ensure that Council maintains an up-to-date asset register as detailed in the Practitioner's Guide.
- Before the approval of the Annual Governance Statement (usually in May) review the effectiveness of Council's system of internal control which shall be in accordance with proper practices.
- Monitor the effectiveness of the annual internal & external audit process and make appropriate recommendations to Council.
- Assess financial risks and the impact of expenditure on reserves and long term plan.
- At least annually conduct a risk assessment of Council activities to identify significant risks and how they should be managed, taking into account the potential consequences and the likelihood of the event happening. Report the results to full Council for acceptance as a register of risks.
- Ensure that an adequate level of insurance cover is maintained commensurate with identified risk reporting any recommendations to full Council.
- Review the Council's Risk Management policy annually.



- Review Council's Treasury Management and Investment Strategy before the start of each the financial year.
- Consider correspondence brought to the committee by the Clerk.