

BRERETON & RAVENHILL PARISH COUNCIL

Parish Hall, Ravenhill Park, Main Road, Brereton, Rugeley, WS15 1DU

FINANACE, ASSET & RISK (FAR) COMMITTEE (FARc) TERMS OF REFERENCE

| Review Month | Month Reviewed | Date Revised | Changes Made | Date Adopted |
|--------------|----------------|--------------|--------------|--------------|
| | | | | JUNE 2024 |
| APRIL 2025 | | | | |
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1. Terms of Reference common to all committees.

1.1. All meetings of Parish Council committees will be convened in accordance with the Parish Council's Standing Orders.

1.2. Committee agendas and minutes will be structured and formalised by the Clerk and/or RFO in discussions with the Committee Chair and meetings will be minuted by the clerk or a delegated member of the council.

1.3. The rules of a committee are supplementary to and do not override the Parish Councils Standing Orders or Financial Regulations.

1.4. Councillor's / Members can be members of one or more committees and the Council's Chair and Vice Chair are ex-officio members with voting rights.

1.5. Minutes will be circulated to all council members and will be presented at full council for agreement. Agreement is given to acknowledge that the decisions have been reached within the powers delegated to that committee.

1.6. In a normal year Councillors shall indicate their preferences for Committee Membership in advance of the Annual Council Meeting, and the list of potential members will be circulated with the agenda of that meeting. Membership of all the committees will be as decided at the Annual

Council Meeting each year. The committee shall be subject to a quorum of third of its members or three whichever is the greater. If a committee or subcommittee is created outside of this period, membership will be authorised by full council. Any Councillor joining the Council after this will be considered for a committee by Full Council.

1.7. A substitute member maybe nominated and appointed to a committee or subcommittee if an ordinary member cannot attend and the meeting maybe inquorate without that substitute.

1.8. The chairman and vice chair of the committee will be elected by the committee at its first meeting after the Annual Parish Council meeting or agreed at a subsequent full council meeting. Upon election of a new FAR committee, the outgoing Chair shall remain a member of the FARc for a period of minimum two months from the date of the meeting at which the new FAR committee was agreed, provided that the outgoing Chair is still a member of the Parish Council.

1.9. Parish Councillors not on a committee may attend meetings but cannot vote, they assume the same standing as a member of the public. If they have points, they wish to include they are encouraged to email the Chair and Clerk directly 72 hours before the meeting.

1.10. The press and public may be excluded from committee meetings if their presence is prejudicial to the public interest by reason of the confidential nature of the business to be transacted or for other special reasons. The public's exclusion shall be by a resolution which shall give reasons for that exclusion.

1.11. Committees may create advisory groups or working groups to deliver a specific objective. These groups will work within an agreed brief. These groups will be wound-up at the completion of their task.

1.12. Committees may create sub-committees. These may consist of councillors and non-councillors with equal voting rights. Advertising the time and place of the sub-committee will be at the discretion of the members but is not required as the public do not have an automatic right to attend. Sub-committees may make such decisions as have been delegated to them, but these decisions will be reported to the responsible committee.

1.13. The meeting calendar will be agreed annually.

1.14. Committee budgets will be derived through the agreed annual budget for the business-as-usual elements.

1.15. Delegated powers will be defined with a scheme of delegation (Terms of reference) to be confirmed at the Annual Parish Council meeting or amended at a subsequent Full Council meeting.

2. Purpose

2.1. To collate the financial information required by Council to determine the four-year plan and the medium-term financial forecast.

2.2. To collate the financial information to help determine the annual budget and precept.

2.3. To offer advice and recommendations to the Policy, Practices & Procedures working group (PPPwg) on amending and adopting policies and procedures so as to ensure that they are fit for good council financial governance.

- 2.4. Act as the council's audit, investment and asset maintenance group advising council of any decisions that it needs to adopt.
- 2.5. Review and actively consider the management of the assets of BRPC.

3. Members

- 3.1. A minimum of 5 members of the filled council seats.
- 3.2. Training about "local government" finances is essential for this group and all members should attend the relevant local government finance training courses.
- 3.3. Members should ideally have the appropriate skills and /or experience to carry out this role.
- 3.4. Quorum will be a third of the BRPC members or 3 whichever is the greater.

4. How the committee operates

- 4.1. Meetings will be held fortnightly, preceding a Full Council meeting.
- 4.2. Agenda will be determined by the Clerk, RFO and the Chair and reflect the annual outcomes required of this committee.
- 4.3. The committee will primarily use the publication "*Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide*" as a reference for their work.
- 4.4. The duration of the Finance Asset and Risk Committee's meeting will be for a maximum of 30 minutes unless a resolution is passed to extend the meeting for a further 5 minutes after which any unfinished business being taken at the beginning of the next FARc meeting.

5. Functions of the committee

- 5.1. Exercise a collective advisory position for financial matters concerning the council.
- 5.2. Collate other committee/working groups financial budget requirements, determine the medium-term forecast, review impact on reserves and report the complete financial position to council for the annual budget review.
- 5.3. The committee shall be responsible for ensuring that the Council's finances and resources are managed in a responsible and prudent manner, and assessing financial, contractual and organisational risk and the impact of expenditure on the Parish Council's reserves and long-term plans on an ongoing basis.
- 5.4. The committee shall examine the Council's accounts and the AGAR (annual return), ensuring that any significant irregularities are reported to Full Council without undue delay.
- 5.5. The committee shall monitor the income and expenditure of the Parish Council and its committees/working groups throughout the year, ensuring that the amounts concerned are consistent with agreed budget streams and that any income shortfalls or expenditure in excess of budgets will not adversely affect the Council's overall financial position.

- 5.6. Review the performance against budget quarterly and report to council with recommendations if required.
- 5.7. Act as the parish council's corporate governance committee as defined within the Practitioner's guide. Assess the council's performance against the annual statement and report the outcome and any recommendations to council.
- 5.8. Provide a report on the end of year accounts and annual governance statement for adoption by council.
- 5.9. Determine the financial implications of proposals for areas of major new strategic development on behalf of the Council and make recommendations to the Council in respect of their suitability, the threats, and opportunities.
- 5.10. Review and regulate the parish councils' policies and procedures relating to finance governance and resources and suggest changes to PPPWg for recommendation to the Full Council.
- 5.11. Provide the council with information pertinent to the development or enhancement of its Strategic Vision.
- 5.12. Scrutinize the functions of the parish council and its committees to ensure they are financially fit for purpose. Full Council should scrutinize annually the FARc.
- 5.13. Asset maintenance – the short and long-term requirements of the asset maintenance programme will be managed by the FARc. New requirements will be recommended to council within the budget process.
- 5.14. Request and receive reports from other committees / subcommittees or working groups on any matter having a financial or risk implication.
- 5.15. Consider the long-term viability of the asset and make recommendations for any changes to council.
- 5.16. Review the usability and value for money of the parish hall, allotments and community facilities and other assets, liaising with PHM committee and users to determine best practice.
- 5.17. Challenge the existing services and facilities in relation to value for money and resident demand. Where applicable liaise with the working groups to ensure areas of improvement or recommendations are put into action if agreed.
- 5.18. Review and ensure good facility financial management of the user groups including but not exclusively the contracts for hire and health and safety compliance etc. Liaise with PHMwg for input to this aspect as well as any other relevant stakeholder or third party.
- 5.19. The committee shall consider budget proposals from the Responsible Financial Officer or working groups and recommend an overall budget, reserves policy and precept requirement every year subject to final approval by Full Council.
- 5.20. The committee shall ensure that outside funding opportunities have been explored in relation to spending proposals as and when appropriate.
- 5.21. For each financial year, the committee shall, by 30th November in the previous year, agree scales of fees for the Allotments and the hire of Council premises (after liaison with the PHMwg, with due regard to any significant changes in overheads.

5.22. The committee shall ensure that concessions in respect of fees (i.e. fees reduced or waived) are monitored and reviewed periodically.

5.23. The committee shall examine the reports of internal and external auditors, ensuring that any recommendations are complied with and that any shortcomings highlighted in the reports are addressed as soon as possible.

5.24. The committee shall be jointly responsible (along with the PHMwg and the Caretaker) for overseeing the financial management of Council premises and facilities, ensuring that suitably authorised staff are available to carry out the relevant duties as and when required.

5.25. The committee shall be responsible for ensuring the following issues external to the parish hall: (but will support the PHMwg in overseeing these issues solely within the parish hall building itself): oversee the risk assessments, health & safety checks and maintenance inspections carried out, and (in the case of risk assessments) reviewed annually, by the Caretaker; satisfying itself that they are comprehensive, fully documented and up to date; ensuring that steps are taken to remedy any shortcomings, defects or problems arising; and carrying out at least annually formal (minuted) annual reviews including:

- A sample of risk assessments.
- A sample of safety and maintenance inspection records.
- The Council's health safety and welfare policy and child protection policy.
- Conditions of hire of Council premises.
- Key-holding procedures and security of Council premises.
- The Council's smoking policy relating to Council staff and premises.
- The Council's food safety policy relating to food served on Council premises.

5.26. In addition to the responsibilities outlined in 5.25 above, the committee shall carry out a formal assessment review of all risks at least annually, ensuring that any unacceptable risks or shortcomings in assessment are addressed as soon as possible, and that suitable risk assessments are in place covering all Council facilities and activities.

5.27. The committee shall ensure that the Parish Council maintains adequate levels of insurance cover, reviewing the schedule of cover at least annually working with the RFO to advise the Council.

5.28. The committee shall ensure that the Parish Council's Standing Orders and Financial Regulations are reviewed periodically, submitting any recommendations for amendments to the PPPwg. If these are supported the PPPwg will submit them to the Full Council for approval.

5.29. The committee shall take whatever advice it deems necessary to ensure that the Council is fully aware of its legal rights and obligations.

5.30. In addition to all of the above, the committee shall put in place whatever internal controls it considers necessary to ensure that the Council's resources are properly managed and that rules and regulations are complied with.

5.31. The committee shall review the effectiveness of the Council's internal control at least annually.

5.32. If appropriate and upon resolution by the Council, to investigate the circumstances and the effect(s) of an information security incident (data breach) as described under the (*to be produced*) Council's Information Security Incident Policy.

5.33. To formally record the incident and the associated response relating to Item 5.32 above for submission to the Parish Council and undertake any reviews as outlined in the *(to be produced)* Information Security Incident Policy.

6. Funding / Finance

6.1. The Committee will assess and suggest appropriate BRPC budget priorities and submit those to the Full Council meeting prior to the budgets and annual precept meeting when the final decisions will be decided for approval (draft version November/ December).

6.2. Regular payments by standing order / direct debit will be approved at the first meeting of the committee each financial year.

6.3. Accounting records will be subject to the council's usual internal control and audit processes (BRPC Financial Regulations).

6.4. This committee does not have a budget. The budget will remain with the Council.

6.5. The committee can decide to undertake a scoping exercise as part of their consideration of an issue prior to bringing their decision to the next full council meeting, but any costs involved must be approved in advance by the Full Council.

7. Reporting to the Council

7.1. FARc will report to council after its committee meeting on the decisions it recommends and provide the information and references that it requires Council to consider and decide upon.

7.2. FARc will scrutinise, collate and report the financial position of all budget streams directly to council.