

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

To monitor, review and assist in the effective financial management and overall governance of the Council.

The Finance and Governance Committee is appointed by and solely responsible to Abertillery and Llanhilleth Community Council.

The Committee should be seven voting Members – and, in any case, shall be no fewer than five – appointed by Full Council. The Committee may appoint additional Members as non-voting members of the Committee.

The Chair of the Council, and the Chairs of Committees to which the Council has delegated powers to authorise expenditure, shall not be members of the Finance and Governance Committee. It is recommended that the Vice Chair of the Council is on the Finance and Governance Committee in preparation for their year in office as Chair.

The Chair of the Committee shall convene an ordinary meeting, as per the annual committee workplan that has been agreed by the Committee, no later than the first week in any year which will include the Committee holding budget scrutiny meetings in October, November and December in accordance with the Council's budget-setting procedures.

The Committee shall have the authority to establish sub-committees and/or working groups from within the membership of the Committee and to appoint other Members of the Council to the sub-committees and/or working groups for which it is responsible.

The Committee shall have the authority to appoint members of the Committee (or of a sub-committee or working group) who are not Members of the Council. The Committee is advised to actively seek to appoint non-Council Members with specialist knowledge of matters that fall within the remit of the Committee, and these shall for all purposes be treated as non-voting members of that committee, sub-committee or working group.

The Committee's duties shall be:

To make changes to any internal Council process or procedures that relates to Financial oversight and/or Governance of the Council.

To monitor, review, and to make recommendations to the Council regarding:

- the financial resources required by the Council to fulfil its statutory obligations and to support the well-being of its communities;
- the Council's borrowing requirements, reserve funds, investments and banking arrangements;
- the charging policies for services provided by, and provided to, the Council.
- ensuring that the Financial Regulations and Standing Orders of Council are reviewed annually and make any recommendations to Council of changes. This Committee cannot make changes to either the Financial Regulations or Standing Orders without a Council decision to do so;
- ensuring any legislative requirements have been complied with.

To monitor, review, and to make decisions on behalf of the Council (this does not replace the Council's overall statutory responsibilities), regarding the effectiveness of the Council's systems of internal financial control, specifically:

- Ensuring compliance with Regulations, statute or law and the Council's Standing Orders and Financial Regulations;

- Ensuring an adequate and effective system of internal audit of the Council's accounting records and system of internal control;
- Monitoring the Council's income and expenditure against agreed budgets;
- Ensuring that accounts are properly maintained and reflect current best practice;
- Ensuring that bank reconciliations are undertaken monthly by two members of the Finance and Governance Committee on a rota basis;
- Receiving and reviewing the Council's draft accounts, draft Annual Return and draft Governance Statement, and making recommendations to the Council.

To monitor financial transactions including receipts, payments and bank transfers.

To identify financial risks that may prevent the Council achieving its aims and objectives, and take any actions it deems necessary to mitigate those risks.

To conduct a review of any completed Council tender process.

To liaise with the Internal Auditor, ensure that the Internal Audit process is fit for purpose and that any recommendations from the Internal Auditor are reviewed and, where applicable, acted upon.

Review the progress of the Councils compliance to "The Finance and Governance Toolkit" as adopted by One Voice Wales and SLCC, and where applicable take any actions to progress completion of the Toolkit.

Consider any and all policies concerning the governance of grants paid by Council.

Ensuring that essential policies and documents (not covered by other committees) are developed, created, monitored, maintained and adhered to with the appropriate recommendations to Council for amendment and/or adoption.

Ensuring that Council is appropriately transparent and accountable in line with legislation, the Transparency Codes and any frameworks set by Council itself.

To ensure that the Council has appropriate insurance cover in place relating to buildings, property, staff, Members, public liability and employers' liability, and to make recommendations to the Council.

To determine applications from the Responsible Financial Officer and from Committees for authority to overspend up to and including £500 against any individual budget line<sup>1</sup>. Any overspend above £500 will have to be agreed by Full Council following a recommendation from the Finance and Governance Committee.

In accordance with the Council's budget-setting procedures:

- The Finance and Governance Committee will call in Chairs or responsible project leads or RFO to agree actions to address potential significant variations in the budget.

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<sup>1</sup> Where an application for an overspend is not approved by the Finance and Governance Committee, a Committee may make an application directly to the Full Council. Where an urgent decision is required, it may be necessary for applications for overspends to be made directly to the Full Council, which meets more frequently.

- To receive final budget presentations from the Responsible Financial Officer and from Committees and to compile a budget report and written recommendations plus written recommendations as to contingencies, reserves (including any proposals for earmarked reserves) and the precept for submission to the Full Council budget- setting meeting.
- On request, to receive reports and/or presentations as to project planning and expenditure from the Responsible Financial Officer and from Committees, to scrutinise expenditure and expenditure proposals, and to make recommendations (to be minuted) to the Responsible Financial Officer and to the Committees.

To consider the needs of the Community Council area and the opportunities for the Council in regards to the Well-being of Future Generations (Wales) Act 2015, the Blaenau Gwent Public Services Board Well-being Plan and the power to promote or improve economic, social or environmental Well-being under the Local Government Act 2000, and to make recommendations to the Full Council.