

HAILSHAM TOWN COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
DRAFT TERMS OF REFERENCE 2024-2025

This Committee is appointed to make recommendation to the council on all aspects of the Town Council's financial, budgetary management, and resources and to produce policy reports and to look at governance issues.

The committee makes recommendations to council on some of these areas and also has some delegated authority. All delegated authorities shall be subject to any Standing Orders in place requiring council to make final decisions if so requested.

The Committee is responsible for working in partnership with other organisations to achieve these objectives.

Membership: Total number of seats allocated to the committee is seven, unless council resolves otherwise

A sub-committee comprising four members, one of whom should be the Committee Chairman or Vice-Chairman, will meet quarterly for the verification of financial statements

Quorum: Shall be half of appointed members or the closest majority to that number

Frequency of Meetings: The Sub-committee must meet quarterly and has delegated authority with regard to budgetary control, the verification of quarterly financial statements (Item 2 in the Terms of Reference below) and the council's overall financial position

A full committee meeting in **November** of each year should also consider such matters as appointment of Internal Auditor and audit plan, and **review of all policies including** Financial Regulations. The committee has delegated authority for this aspect of its remit.

A full committee meeting in April of each year to consider the end of year accounts in preparation of the Annual Governance and Audit Report in accordance with remit (b-d) below.

In addition, the committee will establish a second 'stream' of meetings, attended by all committee members, in order to make recommendations to Council on the budget for the following financial year. These meetings must be timed to ensure that council can resolve the precept to be levied in January and/or according to the timetable and deadlines for the precept request as set by the District Council. The committee has NO delegated authority with regard to this area of its terms of reference

Meetings shall ordinarily start at 7.00pm unless the committee resolves otherwise. Quarterly verification meetings may take place at other times including during office hours. They remain public meetings.

Membership eligibility: Open to all members of council, as formally appointed at the Annual Meeting of Council or subsequently at other meetings.

Other members may be co-opted from other organisations, or guests invited for specific purposes, if and when appropriate. Other members who are not members of council will have no voting-rights.

Remit

1. Budget Preparation: The Committee is required to prepare a recommendation for income and expenditure during the financial year for recommendation to a council meeting in December/January in order that the precept to be levied for the ensuing financial year can be agreed in January.

The committee will seek recommendations from the other standing committees of council on what budgets are required for any activities within their remit that are planned for implementation in the next financial year.

The committee will seek recommendations from the Strategy Committee (or any other committee appointed to have oversight of the council's strategic aims and plans for the forthcoming year) that these planned activities are consistent with the council's overall strategic aims and any business plan that is in place and agreed. (process for the Town Council's budget setting is as set out below)(NO DELEGATED AUTHORITY) (FULL COMMITTEE)

2. Budgetary Control: The Committee (sub-committee) will examine the detailed summary of receipts and payments, comparing actual expenditure against that planned and confirm compliance to council on a quarterly basis. (HAS DELEGATED AUTHORITY) (SUB-COMMITTEE)
3. Annual Appointment of Internal Auditor – conditions of appointment for approval.(HAS DELEGATED AUTHORITY) (FULL COMMITTEE)
4. Accounting and Audit :
 - (a) Reconciliation and quarterly verification of statements with the appropriate records and confirm that the financial statements present fairly the current financial position of the Council and are effective in design to adequately detect fraud or malpractice. To be signed by **a member other than the Committee Chairman as per Financial Regulations.** (SUB-COMMITTEE)
 - (b) Receive the Internal Auditor's reports and consider any recommendations and means to achieve compliance, Annual Review of Internal Control to complete and present to Council.(FULL COMMITTEE)
 - (c) Annual Audit Report. (FULL COMMITTEE)
 - (d) Annual Internal Audit Report – to liaise with the RFO and Internal Auditor to prepare the Annual Audit Plan for presentation to Council (FULL COMMITTEE)
 - (e) To hold meetings with the Internal Auditor as required
 - (f) To review the Annual External Auditor's Report and draft response in collaboration with the RFO (FULL COMMITTEE)

- (g) To approve for presentation to Council the end of year Statement of Accounts and Annual Return and any other information required by the External Auditors prior to submission (FULL COMMITTEE)

(HAS DELEGATED AUTHORITY TO ALL OF THE ABOVE, ALTHOUGH SOME AREAS ARE FOR PRESENTATION TO COUNCIL AS NOTED)

5. Contracts : To work with other committees to discuss the financial implications of contracts as and when they are due for renewal.

In a situation where there is a time limited offer and opportunity to accept a quotation (e.g. energy supplier), that cannot be considered by any other relevant committee due to the timescales involved, the RFO may, after contacting the Chairman of the Finance, & Governance Committee and Town Clerk, authorise and proceed, and report to the next meeting of the Committee or Council as appropriate. (HAS DELEGATED AUTHORITY) (FULL COMMITTEE)

6. Annual Governance Statement: To satisfy that all items under Section 2 of the Annual Return are achieved, and signed off by the Chairman of the Council. (HAS DELEGATED AUTHORITY) (FULL COMMITTEE)
7. The Chairman of the Committee, or their representative, should meet **monthly**, or as decided by the Committee, with the RFO for two-way communication.
8. All members of the Committee shall comprise members of the Cheque Signatory Panel plus the Chairman of the Council, if for any reason that councillor is not a member of the Finance and Governance Committee.
9. All members must be conversant with the requirements of the Governance and Accountability for Local Councils manual.
10. The Annual Review of the Council's Financial Regulations – for report to Council. (HAS DELEGATED AUTHORITY) (FULL COMMITTEE)
11. The annual review of fees charged by Council (allotments, pitch hire, pavilion hire, Fleur de Lys hire, fishing permits, cemetery fees etc.) (HAS DELEGATED AUTHORITY) (FULL COMMITTEE)
12. To consider the annual subsidy request application from Hellingly Parish Council and the existing arrangements for funding with Hellingly Parish Council, if deemed necessary appointing a Working Group to liaise with Hellingly Parish Council for this purpose. (NO DELEGATED AUTHORITY) (FULL COMMITTEE)
13. The annual consideration of grants to external bodies (the committee may appoint a sub-committee for this purpose if it chooses to do so).(HAS DELEGATED AUTHORITY) (FULL COMMITTEE)
14. Consider and make recommendations to the council in respect of all aspects of resources, including equipment and vehicles, considering resource needs in relations to decisions of the council (NO DELEGATED AUTHORITY) (FULL COMMITTEE)
15. To hold ownership of all council policies, including a project managed annual review. To have delegated authority to approve policy renewals (DELEGATED AUTHORITY) (FULL COMMITTEE)
16. To review and recommend to council all new proposed policies (NO DELEGATED AUTHORITY) (FULL COMMITTEE)

17. Exclusions.

The committee is not responsible for making decisions or recommendations to council for any aspect of council services or projects that fall under the remit of other council committees, although it can make decisions/ recommendations on all financial, staffing or resource-related aspects of such areas.

Hailsham Town Council Budget Setting Process:

Date	Meeting	Activity
July	Finance & Governance Committee	Agree baseline budget according to known costs
August/September	All Standing Committees of Council	Consider additions to baseline budget according to plans for next financial year
October	Strategy Committee	Consider whether requests from Standing Committees are consistent with Council's Business Plan and Strategic Aims & raise any queries for committees.
November	All Standing Committees of Council	Address any queries from Strategy Committee
December	Finance & Governance Committee	Finalise recommended budget, including full information regarding tax base etc
January	Hailsham Town Council	Determine budget precept to be requisitioned from WDC