

KEYWORTH PARISH COUNCIL

RULES OF GUIDANCE FOR THE FINANCE & RISK COMMITTEE

These rules are supplemental to, and do not in any way override, the Parish Council's standing orders &/or financial regulations.

1. Membership of the Finance & Risk Committee

- a. Except in the circumstances outlined in 2c below, the committee shall comprise no more than five members of the Parish Council, to be confirmed every year at the Annual Parish Council meeting, in addition to the Parish Council Chair and Vice-Chair.
- b. Any changes in membership of the committee after the Annual Parish Council meeting shall be subject to approval at the next Full Council meeting.
- c. The quorum of the committee shall be three of its members.

2. Chair/Vice Chair

- a. The Chair of the committee shall be the Chair of the Parish Council.
- b. The Vice-Chair of the committee shall be the Vice-Chair of the Parish Council.
- c. Upon election of a new Parish Council Chair, the outgoing Chair shall remain a member of the Finance & Risk committee for a period of minimum six months from the date of the meeting at which the new Parish Council Chair was elected, provided that the outgoing Chair is still a member of the Parish Council.

3. Conduct of Meetings

- a. All meetings of the committee shall be public meetings, convened in accordance with the Parish Council's standing orders.
- b. Meetings will be minuted by the Responsible Finance Officer, another member of staff or a member of the committee.

4. Powers of the Finance & Risk Committee

- a. The committee shall be empowered to make any financial decisions on behalf of the Parish Council subject to the following exceptions:
 - 1) Determination of the Council's overall borrowing limit.
 - 2) Determination of the Council's short-term borrowing limit.
 - 3) Determination of the amount of interest payable by the Parish Council at rates variable by a lender or which are controlled by external factors.
 - 4) Issue of a precept.
 - 5) Final approval of the Council's overall budget and reserves policy.
 - 6) Approval of a lottery scheme.
 - 7) Amendment of the Council's financial regulations or standing orders.
 - 8) Any single item of expenditure (including aggregated stage payments) in excess of £7,500; any project budget in excess of £7,500; or any contract, order or agreement leading to such expenditure, unless already provided for by way of an

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- agreed maximum approved by Full Council, or an overall project-specific budget or earmarked reserve approved by Full Council.
- 9) Any expenditure which would result in the sum total of the Council's overall net expenditure budget and any additional expenditure approved by Full Council being exceeded by more than £10,000, or which would deplete uncommitted reserves to a level more than £10,000 below the minimum level specified in the Council's reserves policy.
 - 10) Any other restrictions or financial constraints imposed by Full Council.
- b. The committee shall be empowered to approve legal documents on behalf of the Parish Council subject to the proviso that the sale, disposal, acquisition or transfer of title of any land or buildings regardless of value, or any other assets valued in excess of £7,500, shall be pre-authorised by Full Council.
 - c. The committee shall be empowered to act on behalf of the Parish Council in all matters concerning staff pay and conditions of employment, office procedures and record keeping, subject only to the restrictions in 4a (8) and (9) above.
 - d. The committee shall be empowered to act on behalf of the Parish Council in respect of tenders, quotations, contracts and appointment of contractors, subject always to the expenditure restrictions outlined in 4a (8) and (9) above, and to compliance with relevant standing orders and financial regulations.

Notes:

- 1) Provided Full Council has approved the maximum amount and purpose of the expenditure, approval of a quotation or tender, or appointment of a contractor, shall be at the discretion of the committee.
 - 2) Where an existing contract is being renewed or awarded to a different contractor or contractors, Full Council approval shall only be required if costs will increase by more than £7,500 as a result.
- e. The committee shall be empowered to determine fees to be charged by the Council.
 - f. The committee shall be empowered to appoint an internal auditor on the Parish Council's behalf.
 - g. Subject to compliance with standing orders and financial regulations, the committee shall be empowered to approve risk assessments, method statements and policies and procedures for controlling risk on the Parish Council's behalf.
 - h. The committee shall be empowered to approve &/or amend Burial Ground regulations, the conditions of hire of Council premises and other regulations or policy documents relating to Parish Council facilities, and to act on the Council's behalf in respect of the Village Hall Complex premises licence.
 - i. The committee shall be empowered to act on the Council's behalf in respect of the Freedom of Information Act (in accordance with standing order 20), the Data Protection Act and General Data Protection Regulations.
 - j. The committee shall be empowered to act in respect of alleged breaches in the Code of Conduct in accordance with standing order 14.

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5. Responsibilities and Areas of Operation of the Finance & Risk Committee

- a. 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.
- b. 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.
- c. The committee shall monitor the income and expenditure of the Parish Council and its committees throughout the year, ensuring that the amounts concerned are consistent with approved budgets and that any income shortfalls or expenditure in excess of budgets will not adversely affect the Council's overall financial position.
- d. The committee shall consider budget proposals from the Responsible Financial Officer &/or the Facilities Manager &/or committees, and agree upon an overall budget, reserves policy and precept requirement every year subject to final approval by Full Council.
- e. The committee shall ensure that outside funding opportunities have been explored in relation to spending proposals as and when appropriate.
- f. Subject to approval of amounts in excess of £7,500 (or £7,500 per annum in the case of transfers to earmarked reserves) by Full Council, the committee shall delegate spending powers to standing committees if appropriate by way of:
 - 1) An overall discretionary budget for each financial year.
 - 2) Additional budgets in respect of specific projects as appropriate.
 - 3) Earmarked reserves.
- g. For each financial year, the committee shall, by 30th November in the previous year, agree scales of fees for the Burial Ground and the hire of Council premises, with due regard to any significant changes in overheads.
- h. The committee shall ensure that concessions in respect of fees (i.e. fees reduced or waived) are monitored and reviewed periodically.
- i. All members of the committee shall be authorised signatories on the Parish Council's bank accounts: any two to sign.
- j. 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.
- k. The committee shall be responsible for overseeing the management of Council premises and facilities, ensuring that suitably authorised staff are available to carry out the relevant duties as and when required.
- l. The committee shall be responsible for: overseeing the risk assessments, health & safety checks and maintenance inspections carried out, and (in the case of risk assessments) reviewed annually, by the Facilities Manager; 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:

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- 1) The fire log relating to the Village Hall complex.
 - 2) RoSPA inspections relating to the Activity Park, Rectory field, Play Area and Skatepark.
 - 3) A sample of risk assessments.
 - 4) A sample of safety and maintenance inspection records.
 - 5) The Council's health safety and welfare policy and child protection policy.
 - 6) Conditions of hire of Council premises.
 - 7) Keyholding procedures and security of Council premises.
 - 8) The Council's smoking policy relating to Council staff and premises.
 - 9) The Council's food safety policy relating to food served on Council premises.
 - 10) Burial Ground regulations.
- m. In addition to the responsibilities outlined in 5k above, the committee shall carry out a formal overall review of all risk and risk assessment 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 facilities¹ and activities.
- n. The committee shall ensure that the Parish Council maintains adequate levels of insurance cover, reviewing the schedule of cover at least annually.
- o. The committee shall ensure that the Parish Council's standing orders and financial regulations are reviewed periodically, submitting any amendments to Full Council for approval.
- p. The committee shall ensure that the Council has in place formal grievance and disciplinary procedures for its staff, and an equal opportunities policy, and that these are reviewed periodically as appropriate.
- q. The committee shall ensure that proper records are kept of the Parish Council's properties and significant assets.
- r. The committee shall consider whether meetings of the Parish Council and its committees are conducted in accordance with standing orders, financial regulations and terms of reference, and with due regard to National Association of Local Councils (NALC) guidelines, referring any shortcomings in this respect to Full Council if appropriate.
- s. The committee shall review periodically any regulations or policies which do not need to be reviewed by Full Council and which are not listed elsewhere in this document.
- t. The committee shall take whatever advice it deems necessary to ensure that the Council is fully aware of its legal rights and obligations.
- u. 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.
- v. The committee shall review the effectiveness of the Council's internal control at least annually.

¹ Council facilities shall, in this context, include all facilities managed by the Parish Council (e.g. Village Hall complex, Rectory field and Activity Park, Wysall Lane Burial Ground, Play Area, Skatepark) and all Parish Council-owned facilities leased to &/or managed by other organisations (e.g. Bowls Club, Tennis Club, Rectory field pavilion and former changing rooms).