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CYNGOR TREF
LLANFYLLIN
TOWN COUNCIL

# POLICY & FINANCE COMMITTEE
## TERMS OF REFERENCE

DOCUMENT REFERENCE: TOR-02

ADOPTED DATE: XX-XXX-XXXX

REVIEW DATE: XXX-XX

# 1 Purpose

The Policy & Finance Committee oversees the Council's financial management, policy development, corporate governance and administration.

The Committee supports effective management of the Council's resources and makes recommendations to Full Council on matters outside its delegated authority.

# 2 Responsibilities

The Policy & Finance Committee is responsible for;

## 2.1 Financial Oversight & Budget Preparation

The committee shall;

- Monitor the Council's income, expenditure, budget forecasts, reserves and cash flow.
- Receive budget proposals from other committees and prepare a consolidated draft annual budget and precept recommendation for Full Council.
- Review the adequacy and intended use of general and earmarked reserves.
- Consider the financial implications of proposals referred by other committees.
- Approve expenditure within its delegated authority and recommend expenditure requiring Full Council approval.
- Review the Annual Statement of Accounts and Annual Governance and Accountability Return (AGAR), and make recommendations to Full Council.

## 2.2 Banking, Income & Financial Controls

The Committee shall:

- Review banking arrangements and recommend changes to Full Council.
- Monitor the operation of bank reconciliation checks and internal financial controls in accordance with the Council's Financial Regulations.
- Monitor income collection and outstanding debts, referring matters requiring further approval to Full Council.
- Review Council fees and charges, in consultation with the relevant committees, and recommend changes to Full Council.
- Review investment arrangements and recommend any proposed investment strategy or changes to Full Council.

## 2.3 Staffing & Training

The committee shall:

- Review staffing requirements, job descriptions, terms and conditions, and staffing budgets, and make recommendations to Full Council.
- Arrange the Clerk's annual appraisal through the Council Chair and Deputy Chair, with appropriate support where required.
- Receive recommendations arising from the Clerk's appraisal, subject to appropriate confidentiality.
- Support the Clerk in arranging appraisals and identifying training needs for other employees.
- Review staff and councillor training needs and recommend training provision and budgets.
- Review employment policies and recommend amendments to Full Council.
- Undertake any role expressly assigned to it under the Council's adopted disciplinary, grievance or other employment procedures.

DRAFT

The Committee shall not assume authority over recruitment, changes to pay or contractual terms, disciplinary decisions, grievances or dismissal unless that authority has been expressly delegated by Full Council or provided for in an adopted Council procedure.

Any appeal shall be handled in accordance with the relevant adopted procedure, maintaining separation from those involved in the original decision.

### 2.4 Grants, donations and councillor allowances

The Committee shall:

- Review applications for grants or donations and make recommendations to Full Council in accordance with Council policy and available budget.
- Monitor compliance with any conditions attached to grants or donations awarded by the Council.
- Review applicable arrangements for councillor allowances and expenses and make recommendations to Full Council.

### 2.5 Assets, Contracts & Administration

The Committee shall:

- Oversee the financial records, asset register and insurance arrangements relating to Council assets.
- Review administrative provision, including office facilities, IT systems and related contracts.
- Monitor contracts and service level agreements within its remit.
- Coordinate with other committees on financial and administrative matters.

Operational maintenance of public amenities and delivery of markets and events shall remain with the relevant committees under their respective terms of reference.

## 3 Membership & Chairing Arrangements

The Committee shall comprise no more than 6 councillors who will be appointed in accordance with Council rules at the Annual Meeting.

- The Chair and Deputy Chair of the Council shall be members by virtue of their office.
- Full Council shall appoint additional councillors, having regard to relevant experience in finance, governance, policy, staffing or administration.
- The Council Chair and Deputy Chair shall be included within the total membership.
- Membership shall be restricted to Town Councillors. Non-councillors shall not be appointed or co-opted to the Committee.

The Chair of the Council shall be Chair of the Policy & Finance Committee. The Deputy Chair of the Council shall be Deputy Chair of the Committee and shall chair meetings in the Chair's absence.

If both are absent, the councillor members present shall elect one of their number to chair that meeting.

Membership shall be reviewed at the Council's Annual Meeting. Full Council may fill vacancies or amend appointments during the year.

The quorum shall be three councillor members.

### 3.1 Officer Support

The Clerk shall provide professional advice and administrative support, including preparation and circulation of agendas and supporting papers, recording minutes and maintaining Committee records.

The Clerk shall not be a Committee member and shall have no vote.

DRAFT

Where the Clerk also serves as Responsible Financial Officer (RFO), they shall report on financial matters. Where a separate RFO is appointed, that officer shall attend or provide reports as required.

Where attendance by the Clerk would be inappropriate because the Committee is considering their own employment or appraisal, suitable alternative administrative support and minute-taking shall be arranged.

The Committee may receive advice from other officers or professional advisers where necessary. Attendance as an adviser shall not confer Committee membership or voting rights.

## 4 Meetings & Proceedings

The committee shall:

- Meet at least quarterly and at other times as necessary, including to meet budget preparation and financial reporting deadlines.
- Conduct meetings in accordance with the Council's Standing Orders, Financial Regulations and Code of Conduct.
- Ensure agendas and supporting papers are issued by the Clerk in accordance with the Council's meeting notice and publication requirements.
- Conduct business within the published agenda.
- Hold meetings open to the public and press, except where exclusion is resolved in accordance with applicable requirements for confidential business.
- Make decisions by majority vote of the members present and voting. The chair of the meeting shall have a casting vote in the event of a tie, in accordance with Standing Orders.
- Record attendance, declarations of interest, decisions and recommendations in the minutes.

Members shall declare interests and participate or withdraw in accordance with the Council's Code of Conduct and Standing Orders. Any applicable dispensation shall be recorded.

## 5 Delegated Authority

The Committee may;

- Approve and manage expenditure within its allocated budget and the limits authorised by Full Council.
- Decide routine financial and administrative matters within its remit, existing Council policy and approved budgets.
- Oversee implementation of Full Council decisions and approved policies within its remit.
- Obtain professional advice and commission internal audit work within approved arrangements, budgets and delegated limits.
- Monitor contracts and approve routine administrative arrangements within its delegated authority.

All delegated decisions shall comply with the Council's Standing Orders, Financial Regulations, Scheme of Delegation and applicable Council policies.

Expenditure shall comply with procurement requirements, monetary thresholds and approval limits. Sufficient budget provision must exist before any expenditure or commitment is authorised.

Authority to approve expenditure does not itself confer authority on individual Committee members to sign contracts, instruct suppliers or make payments. These actions shall follow the Council's approved officer, contractual and payment arrangements.

## 6 Limitations on Delegation

The committee shall not;

- Approve or adopt the annual precept or final Council budget.
- Approve new or amended Council policies, Standing Orders, Financial Regulations or the Scheme of Delegation.

DRAFT

- Authorise expenditure beyond approved budgets or delegated limits.
- Transfer budget provision between headings unless expressly permitted under the Council's Financial Regulations or authorised by Full Council.
- Approve borrowing or changes to the Council's investment strategy.
- Acquire, lease or dispose of land, property or other assets where approval is reserved to Full Council.
- Enter into contracts or commitments extending beyond the current financial year without prior Full Council approval.
- Approve changes to councillor allowances.
- Exercise staffing powers beyond those expressly delegated or assigned under adopted Council procedures.
- Initiate legal proceedings or settle legal claims without express Full Council authority.
- Accept funding, sponsorship or grants that create match-funding requirements, continuing financial commitments or other obligations requiring Full Council approval.
- Take decisions otherwise reserved to Full Council by law or the Council's governing documents.

Matters outside the Committee's authority shall be referred to Full Council with a recommendation.

## 7 Reporting & Accountability

The Committee shall:

- Submit its minutes to the next Full Council meeting.
- Clearly distinguish decisions made under delegated authority from recommendations requiring Full Council approval.
- Report material budget variances, financial risks, audit findings and matters requiring Council action.
- Provide a quarterly financial overview to Full Council covering income, expenditure, reserves and significant issues.
- Report progress on actions assigned to it by Full Council.

Confidential staffing or other sensitive information shall be reported through appropriate confidential arrangements.

## 8 Review

These Terms of Reference shall be reviewed annually at the Council's Annual Meeting, or earlier where required by changes in responsibilities, legislation or Council procedures.

The Committee may recommend amendments. All amendments shall be approved by Full Council.

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