

Branston & Mere Parish Council

Terms of Reference – Finance and Internal Controls Committee

Adopted by Council: 02.02.2026 Minute Reference:

1. Purpose of the Committee

The Finance and Internal Controls Committee (“the Committee”) is established to support the Council in fulfilling its responsibilities for:

sound financial management and budget setting

appropriate internal controls and financial governance

effective risk management and audit preparation

scrutiny of financial reporting and compliance

The Committee operates as an advisory committee unless delegated powers are specifically provided by Full Council.

2. Status and Authority

The Committee is a standing committee of the Council.

The Committee may make recommendations to Full Council on all matters within its remit.

Where the Council delegates authority, the Committee may make decisions within the limits set out in Section 14 (Delegated Powers).

The Committee must act in accordance with the Council’s Standing Orders, Financial Regulations, policies, and relevant legislation.

3. Objectives

The Committee’s objectives are to:

strengthen oversight of financial planning and monitoring

ensure financial decisions are lawful, transparent, and properly recorded

ensure internal financial controls are proportionate and effective

ensure appropriate arrangements exist for preventing and detecting fraud

support compliance with external audit and annual governance requirements

4. Membership

Membership shall comprise of 4 Councillors, appointed annually by Full Council at the Annual Meeting.

Membership should, where possible, reflect a balance of experience and continuity.

The Chair and Vice-Chair shall be elected by the Committee at its first meeting each year.

The Committee may invite non-voting attendees (for example, the Clerk/RFO, internal auditor, or advisors) where appropriate.

5. Quorum

The quorum shall be three (3) members or one-third of the Committee membership, whichever is greater.

No business shall be transacted unless a quorum is present.

6. Meetings

The Committee shall meet at least quarterly, and more frequently if required (for example, budget setting and year-end).

Meetings shall be convened in accordance with the Council's Standing Orders.

Meetings shall normally be held in public, with confidential matters considered in closed session where permitted.

7. Attendance and Officer Support

The Clerk/RFO shall normally attend meetings to advise the Committee and provide reports.

8. Minutes and Reporting

Minutes shall be recorded for each meeting and presented to Full Council for noting or approval (as appropriate).

The Committee shall provide clear recommendations to Council, including the rationale and any financial implications.

Where the Committee has delegated authority, decisions shall be reported to Full Council.

9. Responsibilities and Scope of Work

9.1 Budgeting and Financial Planning

The Committee shall:

- review and recommend the annual budget and precept requirement
- consider medium-term financial planning (typically 3 years where appropriate)
- monitor the adequacy of earmarked reserves and general reserves
- review the Council's schedule of fees and charges (if applicable)

9.2 Financial Monitoring and Oversight

The Committee shall:

- receive and scrutinise regular financial reports, including bank reconciliation summaries, budget variance reports, balance sheet position (where available), and income and expenditure summaries
- monitor delivery of the budget and highlight risks to the Council
- review grant income, sponsorships, and other funding streams

9.3 Internal Controls and Financial Governance

The Committee shall:

- oversee the effectiveness of the Council's internal financial controls
- review the internal control checklist at least annually
- review the Council's Financial Regulations and make recommendations for updates
- ensure appropriate segregation of duties (separating roles to reduce risk)
- monitor compliance with decision-making and payment authorisation processes
- review any instances of control weakness, error, or irregularity and recommend improvements

9.4 Banking, Payments, and Cash Management

The Committee shall:

- review banking arrangements and signatory controls
- review arrangements for online banking and dual authorisation

- monitor cashflow and ensure appropriate liquidity
- ensure arrangements for secure handling of cheques and card payments (if used)
- review procedures for invoice approval, payment runs, and supporting documentation

9.5 Audit and Assurance

The Committee shall:

- support preparation for internal and external audit
- review internal audit reports and oversee implementation of recommendations
- consider external audit reports, where received
- oversee completion of the Annual Governance and Accountability Return (AGAR) processes by recommending to Full Council as appropriate
- review the effectiveness of the internal audit programme and the suitability of the internal auditor appointment

9.6 Risk Management

The Committee shall:

- review and recommend the Council's financial and governance risk assessments at least annually
- ensure risks are logged, monitored, and mitigations are proportionate
- consider emerging financial risks such as inflationary pressures, contract exposures, and major project commitments

9.7 Contracts, Procurement, and Value for Money

The Committee shall:

- review significant procurement proposals and contracts before Council approval
- ensure the Council's procurement approach is compliant and proportionate
- consider value for money and whole-life costs (where relevant)
- review any ongoing contracts which have financial implications (for example maintenance contracts)

9.8 Grants and Community Funding

Where the Council makes grants, the Committee shall:

- review and recommend the annual grants budget
- review grant policy arrangements and eligibility
- consider applications as directed by Council and recommend awards
- monitor grant spend against budget and ensure decisions are recorded transparently

9.9 Staffing Financial Matters (where applicable)

Where relevant, the Committee may:

- review payroll cost projections within budget planning
- consider pension and salary obligations as part of financial planning
- review staffing cost pressures and recommend options to Council

Note: individual staff matters including decisions for remuneration and leave requests, sickness etc remain the responsibility of the Personnel Committee.

10. Standards, Conduct, and Interests

Members must comply with the Members' Code of Conduct.

Declarations of interests must be made at meetings as required.

Members must not participate in matters where a disclosable pecuniary interest (or other significant interest) exists.

11. Confidentiality

The Committee may exclude the public and press only where permitted and justified.

Confidential or sensitive information must not be disclosed improperly.

12. Working Groups and Task-and-Finish Activity

The Committee may establish informal working groups to explore specific financial issues and report back, provided that decision-making remains with the Committee or Full Council.

13. Annual Review

These Terms of Reference shall be reviewed at least annually, normally at the Annual Meeting of the Council, or earlier if required due to regulation, audit feedback, or organisational changes.

14. Delegated Powers (Optional – include only if the Council approves)

Delegated authority may be granted by Full Council to the Committee to make decisions on the following, within the approved budget:

- approval of routine expenditure items up to £1000 per item
- approval of quotations within procurement rules up to £3000
- recommendation of tenders to Full Council for approval
- approval of transfers between budget headings provided no overall budget is exceeded
- approval of banking administrative actions (for example account closure requests), subject to Council ratification

Limitations: The Committee shall not set the precept, adopt the budget (recommendation only), approve borrowing, approve expenditure beyond the limits delegated, or make decisions which commit the Council to multi-year spending without Full Council approval.