



MELTON PARISH COUNCIL

FRM(20)05.04

TO REVIEW TERMS OF REFERENCE FOR FINANCE EMPLOYMENT AND RISK MANAGEMENT COMMITTEE

This report sets out below the complete *current* terms of reference for Finance, Employment and Risk Management (FERM) Committee, last updated in September 2019.

The Interim Internal Audit report dated 16 January 2020 identified a discrepancy between term of reference (D)(x) – *To make whatever banking and investment arrangements are appropriate* – and Financial Regulation 5.1., which states that *“the Council’s banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council; banking arrangements may not be delegated to a Committee. They shall be regularly reviewed for safety and efficiency.”*

The Council reviewed and agreed a revised set of Financial Regulations on 15 January 2020, and Reg. 5.1 reflects what is in the NALC set of Model Regulations. The Regulation also correctly reflects Reg. 4 of the Accounts & Audit Regulations 2015, which place responsibility on the RFO for determining the form of accounting records and financial control systems.

In order to both correct this discrepancy and enshrine a proper role for FERM Committee in Melton’s constitution, Members are invited to recommend that term of reference (D)(x) (highlighted below) be altered to read:

“To consider or review the banking arrangements in conjunction with the RFO and make recommendations for the approval of Full Council”

Any recommendation will be referred to Full Council for approval.

William Grosvenor
Clerk and Executive Officer to the Council
30 January 2020

Finance, Employment and Risk Management Committee (incorporating revisions up to September 2019)

(D) PURPOSE

- (i) To be responsible for the employment of council staff
- (ii) To provide contracts and other such documents as required by employment legislation
- (iii) To provide a staff appraisal system
- (iv) To agree salary levels for council employees
- (v) To provide a Disciplinary Panel consisting of three members of the Finance, Employment and Risk Management Committee
- (vi) To provide an Appeals Panel consisting of one member from the Finance, Employment and Risk Management Committee not on the Disciplinary Committee and two other councillors who are *not* members of the Finance, Employment and Risk Management Committee
- (vii) Oversight of the internal financial controls including Internal Audit arrangements
- (viii) Preparation of the budget for approval by full council
- (ix) Provision of financial information to the full council
- (x) To make whatever banking and investment arrangements are appropriate**
- (xi) To enter into and review contracts for the provision of services to the council
- (xii) To enter into and review contracts for the provision of insurance services to the council
- (xiii) To oversee the provision of council accommodation
- (xiv) To make recommendations of expenditure from reserves
- (xv) To oversee the risk management of all council operations
- (xvi) Raising of funds
- (xvii) To consider all aspects of divestment/transformation
- (xviii) Strategic management of the Council's budgets
- (xix) To have oversight of financial aspects of new projects
- (xx) To consider applications for grants and to recommend allocations to full council
- (xxi) To have oversight of the Council's website and all communication channels

(E) Composition

Minimum of five Members, maximum of nine

(F) Meeting frequency

6 times a year