



# MELTON PARISH COUNCIL

**MPC(20)28.05**

## **TO CONSIDER REVISION TO TERMS OF REFERENCE FOR FINANCE EMPLOYMENT AND RISK MANAGEMENT (FERM) 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.

However in order to both correct this discrepancy and enshrine a proper role for FERM Committee in Melton’s constitution, FERM Committee at its meeting on 5 February 2020 recommended that term of reference (D)(x) (highlighted in the Full Terms of Reference 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”*

Full Council is invited to endorse that recommendation.

William Grosvenor  
Clerk and Executive Officer to the Council  
12 March 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