

**TERMS OF REFERENCE FOR THE FINANCE and Employment COMMITTEE (FEC) 2021**

The Finance and Employment committee (FEC) shall;

* Be appointed annually at the Annual General Meeting (AGM) with membership able to change throughout the year, with agreement of all committee members.
* The FC shall be formed of HPC Cllrs. (min. of 3) and the Clerk / Responsible Finance Officer (RFO).
* The FC shall at its first meeting elect a chair and vice for the year
* Meet a minimum of once per year.
* Also be responsible for the recruitment, appraisal and management of the Clerk / RFO.

**ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING**

1. The RFO must each year, by no later than November prepare detailed accounts of all receipts and payments including the use of reserves and all sources of funding for the current and estimates of the following financial year in the form of a budget to be considered by the FC and the council.

2. The FEC will submit to the November or January meeting of the full Council annual budget proposals in relation to the council’s forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly. These will be considered by the full Council and a budget approved by the end of January.

3. The FC / council shall fix the precept (council tax requirement), for the ensuing financial year, not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.

4. The approved annual budget shall form the basis of financial control for the ensuing year.

5. The Clerks appraisal and conditions of employment and budget is to be reviewed annually before December for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council or relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.

6. On a regular basis, at least once in each quarter, and at each financial year end, a member shall be appointed to verify bank reconciliations produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council FEC and the full Council at the subsequent meeting.

*The council is responsible in law for ensuring that its financial management is adequate and effective and that the council has a sound system of internal control which facilitates the effective exercise of the council’s functions, includingcarrangements for the management of risk.*

*Both the Council as a corporate body (jointly) and individual councillors (severally) are responsible for the financial*

*management of the council.*

*The council’s accounting control systems must include measures:*

*·for the timely production of accounts;*

*·that provide for the safe and efficient safeguarding of public money;*

*·to prevent and detect inaccuracy and fraud; and*

*·identifying the duties of officers.*