

REPORT TO FINANCE COMMITTEE

COMMITTEE WORKING GROUPS

Report Reference F-24-01
Meeting Date 3rd June 2024
Agenda Item 6
Prepared by Town Clerk



1.0 BACKGROUND

At the first meeting of a new civic year, the committee is required to consider reappointment of working groups which report to it. The committee is also required to review the terms of reference of the Internal Audit working group at the first meeting of a new civic year. These are provided in the appendix.

2.0 COMMITTEE WORKING GROUPS

The committee has two standing working groups. The Internal Audit working group (IAWG) undertakes quarterly reviews of the council's internal controls in line with the terms of reference detailed in the annex. The Banking and Investments working group provides oversight in the placement of investments, approving the Town Clerk's proposed movements between reserve bank accounts.

The membership for the 2023/24 civic year was as follows:

Banking and Investments	Cllrs Banks and Robertson
Internal Audit	Cllrs Johnson, McCulloch and Wood

3.0 DECISIONS REQUIRED

The committee should appoint three members to the internal audit working group¹ and two members to the banking and investments working group.

The committee should review the terms of reference for the Internal Audit Working Group and determine if any revisions are required.

¹ Members shall not include the committee Chairman or Town Mayor.

APPENDIX A: INTERNAL AUDIT WORKING GROUP TERMS OF REFERENCE

1. The working group will comprise three councillors, determined by the Finance Committee

Membership is to be reconfirmed/ changed by the parent body at its first meeting at start of a new Mayoral year and any casual vacancies shall be filled at the next practicable meeting.

2. The Terms of Reference for the working group shall be reviewed annually at the first meeting of the Finance Committee in the new mayoral year.
3. At its first meeting of the new mayoral year, the working group shall appoint an elected member as Lead Member who should ensure the entire working group's members are kept informed and involved with progress and act as the primary reporting channel back to the parent body.
4. In line with the task set by the Finance Committee, the purpose and remit of the working group is to undertake quarterly reviews of the council's internal controls. Such reviews shall be conducted by at least two members and should include reference to:
 - a. A review of 10% of debit and credit entries to ensure adequate authorisation of expenditure, correct charging for income, general compliance with financial regulations and accurate record keeping
 - b. Completion of monthly bank reconciliations and the closing quarter bank statements agreeing with the closing balance on financial reports
 - c. Quarterly review of payment schedules to ensure any purchased assets are included on the council's asset register and an annual review of the certified asset register
 - d. Action taken on points raised in any previous report
 - e. General accounting and financial record keeping as appropriate
5. The working group does not have delegated powers to make decisions on behalf of the Finance committee or the Town Council nor should exceed its purpose and remit (above) without the parent body's sanction to a change to these Terms of Reference
6. The working group shall provide a quarterly written report to the Finance Committee in line with the committee's work plan. The report shall include its findings from the audit and recommendations for improvements to the financial stewardship.
7. The working group should report any serious matters (e.g. suspected maladministration or misappropriation of funds immediately to the Chairman of the Finance Committee who should, in turn, bring the matter to the attention of the Town Mayor.)
8. Meetings of the working group will not be public meetings.