

## **Finance Approval Committee**

### **Terms of Reference Approved 8<sup>th</sup> July 2024**

**Primary Purpose:** To validate monthly financial transactions (accounts payable, staff salary and expenses), carry out monthly bank reconciliations, review and approve cheques for signing, sign cheques.

**Membership of Finance Approval Committee:** Shall comprise between three and no more than five Members of Layer de la Haye Parish Council, together with Clerk & Responsible Finance Officer. Must include non-signatories as well as two signatories to the bank account.

**Meeting Frequency:** The Finance Committee shall meet monthly immediately before each council meeting. Normal meetings will be scheduled to last 15 minutes.

**Meeting conduct:** A standing agenda will be set (see appendix A) and meetings will be minuted. Resolutions are to be clear and concise to ensure clarity. Agendas and minutes will be published on the web site and notice board.

**The Finance Approval Committee will have the following specific duties: -**

- (a) To ensure adequate governance is in place to protect the Council from fraud
- (b) Validation of the Notification of Staff Pay and Expenses form:
  - 1. Are the standard values correct (as they drive various calculations)?
  - 2. Does the salary figure match the payslip, the accounts payable entry and the cheque written?
  - 3. Does the PAYE figure match that on the payroll P30 form and the cheque written?
  - 4. Expenses - are they reasonable and fully itemised/backed up with evidence?
  - 5. Additional hours - double check that there is no duplication and review evidence (log of working hours)
- (c) Payslip:
  - 1. Do the claimed expenses match what were approved last month?
  - 2. Does the claimed overtime amount match what was approved last month?
  - 3. Does the pay figure match the entry on the accounts payable sheet and the Notification of Staff Pay and Expenses form and the cheque written?
- (d) Accounts Payable Sheet:
  - 1. Does the staff pay figure match the entry on the payslip and the cheque written?
  - 2. Does the Essex Pensions figure match the value on the PN11 form?
  - 3. Does the HMRC figure match that on the payroll P30 form?
  - 4. For each entry, do the filled-out check payee names and amounts all match the accounts payable form and the accompanying documentation?



## APPENDIX A – PROPOSED STANDING AGENDA

### 1. APOLOGIES

- a. **RECEIVE** apologies for absence

### 2. DECLERATIONS OF INTEREST

- a. **RECEIVE** declarations of interest relating to the agenda

### 3. MINUTES

- a. **APPROVE** minutes (previously circulated) of the previous meeting – *for signature by the Chair*

### 4. ACTION TRACKER

### 5. FINANCE

- a. **RECEIVE** and **CONFIRM** bank reconciliation - *for signature by 2 members.*
- b. **RECEIVE** and **APPROVE** Notification of Staff Salary and Expenses - *for signature by 2 members.*
- c. **RECEIVE** and **APPROVE** accounts for payment - *for signature by 2 members.*
- d. **RECEIVE** progress report from Clerk and RFO on Internal Financial Control

### 6. NEXT MEETING – to confirm

Close of meeting