

Finance & Audit Subcommittee Terms of Reference (TOR)

Date agreed by CPSWL: 18th February 2024

Purpose

The purpose of the Finance, Audit & HR subcommittee shall be to: ensure effective control of LPC finances; consider annual budgets, accounts, and processes; develop effective financial management information and monitor performance; consider any financial matters that may need a referral to the Governance subcommittee.

Membership

1.1 At least three members of the main committee shall be appointed by the committee to the Finance, Audit & HR subcommittee, in addition to the Treasurer. Membership should be drawn from each of the different representative groups

1.2 In the event that a Finance, Audit & HR subcommittee member ceases to be a member of the LPC, the committee shall appoint a new subcommittee member for the remaining term of office.

1.3 The members of the subcommittee shall appoint a Chair from amongst its members.

Accountability

2.1 The subcommittee shall be accountable to the main committee.

2.2 The subcommittee shall meet quarterly but can further determine the frequency of its meetings to discharge its duties. The subcommittee may need to meet more frequently should a specific issue arise which needs further discussion and agreement.

2.3 The subcommittee shall report its discussions and outcomes to the main committee.

2.4 A subcommittee member with a conflict of interest should step down temporarily, in

which case the subcommittee shall co-opt an additional member from the main committee.

2.5 The subcommittee, may invite the Chief Officer or other officer or member to part or all of one or more of its meetings if their input is required to deal with a specific issue.

2.6 No business will be conducted unless at least three members of the sub-group are in attendance. Decisions can be made by email and will be ratified by the full committee.

Actions

3.1 Refer directly to the Governance subcommittee or Chair any matter of governance relating to committee members' or officers' expenses claims.

3.2 Approve the LPC budget for recommendation to the main committee, including any change to the LPC levy or levy holiday. Consideration having been given to conducting a zero-based budget.

3.3 Ensure that annual accounts are prepared and presented to the LPC and for final approval by contractors in accordance with the LPC constitution. The subcommittee will also approve the Treasurers annual report to contractors.

3.4 Review the LPC expenses policy and adherence; ensuring that appropriate systems are in place to approve expense claims.

3.5 Review commercial contracts entered into by the LPC.

3.6 Keep under review, financial management systems and internal controls to ensure the LPC can monitor its finances.

3.7 Oversee the work of the Treasurer ensuring the duties set out in the Treasurer's job description, such as that provided by CPE, are attended to.

3.8 Manage financial aspects of LPC restructuring and mergers, and the approval and recovery of loans to a provider company.

3.9 Support the management of remuneration of LPC staff, officers and consultants.

3.10 Monitor adherence to the LPC Finance Guide (such as that provided to LPCs by CPE).

3.11 Oversee the appointment of external qualified Accountant (and Auditor if applicable) and liaise with the external accountant and consider any recommendations they might make.

3.12 Be re-elected every two years. This election should coincide with the election of the new Officers.

Financial Governance

5.1 Any payment required to LPC members or staff which is outside the Expenses Policy or where there is a conflict of interest, will not be reimbursed.

5.2 All payments will be processed by the Treasurer as soon as possible.

5.3 The Treasurer will process any payment through in house accounting system

5.4 Once the payment is set up on in house system treasurer will make arrangement to pay using online banking system.

5.5 The Treasurer or a second account signatory will review and approve, were appropriate payments through the bank's online system and aim to have these processed within 7-days of receipt of the report.

5.6 All payments if necessary, will require two authorisations to be processed through the bank's online system. All members of the finance sub-committee will have authorisation to complete this process.

5.7 All payments above £2,000 will be reported to the subcommittee for authorisation.

5.8 The Treasurer or a second account signatory can approve payments for expenses up to £1000.

Any payments for expenses above £1000 must go to the subcommittee for approval, which could be verbal as well.

5.9 No loans are allowed.

5.10 Sharing of banking login details is strictly prohibited.

5.11 All computers which are used for online banking should have adequate industry standard security and firewall protection.

Version control

Version and date	Author	Changes made
1 February 2024	Mansukh Sheth	n/a
2 March 2025	Mansukh Sheth	n/a
01 September 2026	Mansukh Sheth	September 2026