

**Co Durham and Darlington Local Pharmaceutical Committee (LPC)
Finance and Audit Subcommittee**

Terms of Reference

The purpose of the Finance and Audit 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 LPC.

Membership

1.1 At least three members of the main committee shall be appointed by the committee to the Finance and Audit subcommittee. The LPC Treasurer must be part of the membership.

1.2 In the event that a Finance and Audit subcommittee member ceases to be a member of the LPC, the committee shall appoint a new Finance and Audit 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 Finance subcommittee shall be accountable to the Governance sub-committee.

2.2 The Finance subcommittee shall meet twice a year 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 Finance and Audit subcommittee shall report its discussions and outcomes to the Governance sub-committee.

2.4 A Finance and Audit 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 LPC 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 There is no quorum for the subcommittee, but the maximum attendance will be sought when arranging a meeting.

3. Delegated Authority

The Finance and Audit subcommittee has been granted authority by Co Durham and Darlington Local Pharmaceutical Committee to make decisions in line with the responsibilities shown below.

4. Actions

The Finance and Audit subcommittee will:

- 4.1 Refer directly to the Governance Sub - committee any matter of governance relating to committee members' or officers' expenses claims.
- 4.2 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.
- 4.3 Ensure that annual accounts are prepared and presented to the LPC and for final approval by contractors. The accounts will be prepared in accordance with the LPC constitution. In preparing the format of the accounts, consideration will be given to the content of guidance issued by PSNC.
- 4.4. Review LPC Insurance arrangements and ensure that the LPC has appropriate insurance cover on an annual basis.
- 4.5 Review the LPC expenses policy and adherence; ensure that appropriate systems are in place to approve expense claims.
- 4.6 Review commercial contracts entered into by the LPC.
- 4.7 Keep under review, financial management systems and internal controls to ensure the LPC can monitor LPC finances.
- 4.8 Oversee the work of the LPC Treasurer ensuring the duties set out in the Treasurer's job description, such as that provided by PSNC, are attended to.
- 4.9 Manage financial aspects of LPC restructuring and mergers, and the approval and recovery of loans to a provider company.
- 4.10. Support the management of remuneration of LPC staff, officers and consultants.
- 4.11 Monitor adherence to the LPC Finance Guide (such as that provided to LPCs by PSNC).
- 4.12 Oversee the appointment of external qualified Accountant (and Auditor if applicable) and liaise with the external accountant and consider any recommendations they might make.
- 4.13 Be re-appointed every 2 years. Appointments should coincide with the election of the new Officers.

Version 1: Agreed by Co Durham and Darlington LPC on 30 September 2021

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