

Document No: FCTOR220524



# FINANCE COMMITTEE TERMS OF REFERENCE

## Document History

Created by Chair of Full Council	05/02/2021
Revised by Chair and Vice Chair	09/02/2021
Adopted at Main Meeting by Full Council	17/02/2021
Reviewed for recommendation by committee	30/07/2021
Reviewed and agreed by finance committee	29/06/2022
Reviewed and adopted at main meeting	20/07/2022
Reviewed and amended by the Clerk	22/05/2023
Reviewed and signed by the Committee	12/07/2023
Agreed and signed at the Main Meeting	19/07/2023
Reviewed and amended by the Clerk	03/05/2024
Reviewed and signed by Full Council	15/05/2024
Reviewed and signed by Full Council	22/05/2024

## **Finance Committee Terms of Reference**

**Purpose:** Assist the parish council and the Responsible Financial Officer in overseeing the proper financial management, financial risks, management strategy, internal and external audit, policy, and treasury transactional matters.

**Quorum:**

5 parish councillors to be appointed annually at the Annual Council Meeting. The quoracy of the committee shall be no less than 3 members. A councillor could act as a back-up with voting rights on behalf of another councillor<sup>1</sup>.

**Chair:**

The Chair is to be elected annually by the Finance Committee at the Annual Council Meeting. If the Chair of the committee is absent from a meeting a councillor as chosen by the councillors present at the meeting shall preside at the meeting<sup>2</sup>.

**Meetings:**

Minimum of 6 meetings a year at the parish council premises on a weekday on dates agreed by the council<sup>3</sup>. The Chair of the committee may convene an extraordinary meeting at any time<sup>4</sup>.

**Duties:**

- To review the Financial Regulations and Standing Orders on an annual basis and make recommendations to Full Council
- To ensure the Financial Regulations and Standing Orders are being adhered to.
- To review and make recommendations on any changes in policies or procedures to the Full Council excluding those that are reviewed by Human Resources Committee.
- To ensure the council complies with relevant General Data Protection Regulation.
- To make changes as requested by full council to policies or procedures as a result of recommendations made by the internal or external auditors.
- The internal auditor shall be appointed by Finance Committee and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.
- To appoint internal scrutineer that will complete an inspection once a quarter and at each financial year end<sup>5</sup>.
- To review the actual spend against budget and consider the need for any virements.
- To ensure the financial requirements of the parish council 4-year plan is complied with.
- To review the draft annual budget prepared by the Responsible Financial Officer and make a recommendation to Full Council on the annual precept request.
- To make recommendations with respect to the annual grants allocation and review a quarterly summary of grants issued.
- The committee will review direct debits.
- To review Bank mandate to make recommendation to Full Council.

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<sup>1</sup> Standing Order 4.d.v

<sup>2</sup> Standing Order 4.d.vi

<sup>3</sup> Standing Order 4.d.ii

<sup>4</sup> Standing Order 6.c

<sup>5</sup> Financial Regulations 2. 2.2

- With regards to the forecast, the committee shall formulate and submit proposals for the following financial year to the council not later than end of November each year including any proposals for revising the forecast.
- To review annually the inventory of parish council land and assets.
- To make recommendation for the procurement, sale / disposal, upgrade, or replacement of assets offered or belonging to the parish council.
- To review the condition, maintenance including servicing of assets (buildings, vehicles, equipment, etc).
- To ensure health and safety (not staff) requirements are in place and up to date.
- To review annually the insurance arrangements and ensure they are adequate.
- To review all risk assessments as and when produced.
- To review the Councils 'Risk Register' at least annually.
- To ensure a record is kept of any accidents or incidents reported to the council which took place on property or land owned by the council and to ensure appropriate remedial action is taken.

**Delegated Authority:**

- Committee shall review the three-year forecast of revenue and capital receipts and payments.
- The committee will review all fees and charges at least annually.
- To consider and recommend any short-term investments (max. 12 months), in accordance with the investment strategy, subject to final approval of the investment provider by the full council.

**Membership Requirements:**

- a) All members of the committee are to take relevant training.

Councillors wishing to resign from a committee must do so by notifying the Clerk.