



Finance Committee – Terms of Reference

Purpose of Finance Committee

This committee's primary purpose is to form part of the Council's internal financial controls and in partnership with the Clerk, to order, regulate and generally supervise the Council's finances.

The Committee duties are defined and agreed by the Council who may vote at any time to modify the Committee's powers.

Membership and voting – 5 members

(To be elected annually at the Annual Meeting of the Village Council each year in May)

1. At the Annual Meeting of the Village Council, the Council shall elect a Chair of the Committee.
2. The Chair will have an ordinary vote and a casting vote and may use the latter although he/she is not compelled to do so.
3. All members of the finance committee must be councillors.
4. Any Councillor on the Council's bank mandate is an ex-officio member of the finance committee.

Convening

The committee will meet quarterly in March, June, September and December, but can also be convened by the Clerk or the Chair of the Committee as and when necessary. Members will be summoned to attend meetings which will be held in a public place and public notice of the meeting shall be given in accordance with Schedule 12, Para 10 of the Local Government Act 1972. Minutes will be taken, approved and retained by the council in perpetuity.

Meetings

Meetings will be held in accordance with the council's Standing Orders.

Quorum

The quorum of the Committee will be 3.

Documentation

1. Minutes of all meetings will be recorded by the Clerk or, in the absence of the clerk, by one of the councillors present at the meeting.
2. Draft minutes will be circulated to all Committee members.
3. Depending on timing, either draft or approved minutes will be received by the full council for information only.

Accountability

The Finance Committee has been given delegated power by the full council to act on behalf of the authority in relation to these defined terms of reference only; any matters outside the Committee's terms of reference shall be made to the full council as a recommendation. The Clerk/Responsible Financial Officer is responsible for the proper administration of the Village Council's financial affairs and is responsible for the maintenance of any documents and records necessary for the effective fulfilment of the Committee's duties.

Remit of the Committee

With the Clerk:

1. To be responsible for making recommendations to the Council on budget requirements, including recommendations for the Precept level to ensure the Council manages its finances to meet its short and long-term goals. Including:
 - a. Considering forward planning and necessary earmarked reserves for the replacement of equipment, vehicles, buildings and specific items of expenditure required in the future
 - b. Ensure that the budget is directly linked to the tasks identified in a 3-year strategy
2. To monitor the overall financial performance of the budget and enact virements as considered necessary.
3. To ensure adequate financial controls are in place to utilise and protect the Council's finances and assets, including the insurance of buildings and property, and maintenance of the asset register.
4. To use an internal control checklist, quarterly, to conduct a range of checks and to resolve any financial anomalies with the Clerk.
5. To secure the implementation of any measures recommended by the internal and external auditors and to submit recommendations, where appropriate, to the Council.
6. To monitor the Council's financial risk assessments and recommend changes where necessary.
7. To ensure the policy for grant administration is regularly reviewed.
8. In the case of services undertaken or to be undertaken by external contractors selected after competition, to be responsible for:
 - a. Specifying the standards and other terms to be applied within the tender documents
 - b. Selection of tenderers
 - c. Assessment of bids and submitting recommendations for awarding of contract to the full council
 - d. Subsequent monitoring of contractors' performance
 - e. Adjustment/variation of contract terms if appropriate
9. To undertake an annual review of Financial Regulations and make recommendations to the Council.
10. To undertake an annual review of the Council's banking arrangements and make recommendations to the Council.
11. The finance committee is permitted to spend without full council approval on anything calculated to facilitate, or is conducive or incidental to, the discharge of any

of their functions. If time allows, the committee can choose instead to make recommendations on any finance-related expenditure to the full council.

Where the Committee feels necessary, it may refer any decision for which it has delegated authority, to the full council.

Review

The Finance Committee's terms of reference are to be reviewed annually at the first full council meeting after the Annual Council meeting.

Date of policy: July 2023

Approving committee: Full Council

Date of committee meeting: 04/07/2023

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