



## FINANCE COMMITTEE

### TERMS OF REFERENCE

**Approved and adopted: 14<sup>th</sup> September 2023. (Minute 2023.112.2)**

**Reviewed and approved: 9<sup>th</sup> May 2024.**

**Review date: May each year.**

1. The primary objective of the Finance Committee is to assist the Parish Council in overseeing financial management, internal control of finances, risk management and supporting the internal and external audit processes.
2. The Council will appoint six councillors to the Finance Committee at the annual meeting of the Council in May each year.
3. The Finance Committee shall appoint a Chair from the appointed members.
4. The Finance Committee will usually hold meetings in July, October, January and April in each Council year.
5. The Finance Committee has delegated authority to:-
  - a. Approve and authorise payments that need to be paid in advance of the next PC meeting, as delays in payment may adversely affect the conducting of PC business or cause cashflow problems with PC suppliers.
  - b. Monitor financial progress of the Council, by reviewing the income and expenditure on all budgets on a quarterly basis.
  - c. Approve the quarterly VAT return prior to on-line filing.
  - d. Ensure that an adequate and effective system of internal controls are in place to secure the integrity of finances.
  - e. Review the position of allocated and unallocated reserves.
  - f. Authorise transfers between the current account and deposit account, as deemed prudent.

6. The Finance Committee shall advise the Council as follows:-
  - a. Prepare the annual budget for consideration by full Council at the annual Precept meeting in January.
  - b. Consider special projects and costings in January and make recommendations to full Council at the annual Precept meeting.
  - c. Consider grant applications in January and make recommendations to full Council at the annual Precept meeting.
  - d. Review the effectiveness of the system of internal controls annually and pass a report to the Council for approval.
  - e. Review the effectiveness of the internal audit annually and pass a report to the Council for approval.
  - f. Consider and take appropriate action on all reports arising from both internal and external auditors after consultation with full Council.
  - g. Review financial regulations and make recommendations to the Council.
  - h. Review financial risk and report to full Council as necessary.
  - i. Review regularly (at least every three years) the Councils banking, investment and insurance arrangements, and make recommendations to the Council on amendments and changes as required.
  
7. The Finance Committee has delegated authority for staffing matters, including:-
  - a. To review salaries and wages annually and make recommendations to the Council on salary and/or wage increases.
  - b. To oversee the appointment of staff.
  - c. To deal with all matters appertaining to staff, subject to all new employees being approved by full Council.
  - d. To deal with personnel matters in general, and in particular: Recruitment procedures / Job descriptions / Contracts of employment / Discipline / Training / Staff welfare / Health and safety at work / Appraisals.
  - e. To consider a grievance or disciplinary matter.