

# Finance Committee – Terms of Reference

## Aims and Objectives

The finance committee is a standing committee – it has public meetings with publicised agendas.

The finance committee has no spending powers but instead makes recommendations to the parish council for agreement

The committee will work within parish council's standing orders, financial regulations and local government law.

## It will:

- monitor current expenditure and income against the profiled budget plan. (NB expenditure will be authorised at full council meetings.)
- prepare and propose budget revisions
- draw up a draft budget plan for the following year and recommend to full council in December.
- arrange and monitor contracts for services. e.g. streetlights, grounds maintenance
- advise on and monitor the preparations for the annual audit.
- conduct the risk assessment as part of the annual audit.
- arrange staff performance reviews

## Membership and Organisation

The committee will consist of three councillors who will be selected each year at the annual parish council meeting.

Any councillor may request to be appointed to the committee.

The responsible finance officer (RFO) will attend all meetings.

A chair of the committee will be elected at the first meeting of the committee each year.

The quorum of the finance committee will be three members. Other members of the council can be co-opted to the committee, if necessary.

The committee will submit the minutes of meetings to the next meeting of parish council

The committee can set up working groups, over an abbreviated period, to bring forward ideas or plans on specific topics.

The RFO will provide administrative support for the committee

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## A Framework for Agendas

- early April                    to review whole year's budget
- early July:                    to elect chair, review terms of reference, review first quarter income and expenditure, agree procedure for staff performance review; review finance regulations; set dates for future meetings.
- early October:                to review second quarter income and expenditure; to consider the annual audit report and prepare recommendations for full council; to receive report on staff performance reviews
- early December:             review (almost)third quarter income and expenditure; revise the budget if necessary; draw-up a draft budget plan and a precept for following year.
- mid-February:                prepare for the annual audit: a formal review of the effectiveness of the system of internal control and prepare an annual governance statement to present to full council.

The committee may set up any other meetings as required.