

Creech St Michael Parish Council

Policy Title	Finance Committee Terms of Reference
Applies to	All Councillors and Employees
Date Created	10 th March 2023
Date Approved by Council	25 th May 2023
Minute Reference	9.
Author	Clerk and RFO
Review Cycle	Annual
Review Dates	

1.0 Introduction

The Parish Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, the Parish Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Parish Council's functions and which includes arrangements for the management of risk. It is the responsibility of the Finance Committee to ensure that the Parish Council fully meets its obligations

Nothing in these terms of reference shall prevent the Parish Council from dealing with a matter that might otherwise be dealt with by this Committee.

These terms of reference have been prepared using best sector practice.

2.0 Membership of the Committee

Membership shall consist of a maximum of four Parish Council members elected annually along with the Chair and Vice Chair of the Parish Council in an ex-officio capacity.

The Chair and Vice Chair of the Committee shall be elected by the committee membership at the first meeting after the Annual Meeting of the Parish Council.

A quorum shall consist of three Parish Council members.

3.0 Areas of Responsibility

The Finance Committee has the delegated authority from Creech St Michael Parish Council to:

- Open and closing of Bank Accounts and authorise the transfer of funds between accounts.
- Provide accounts, end of year accounts and supporting documentation.
- Set up and ensure that there are robust accounting practices and systems in place.
- Consider all the Parish Council's annual estimates for income and expenditure to obtain an overall position of the Parish Council's finances in order to make appropriate recommendations to the Parish Council and its Committees.
- Prepare and recommend a precept to the Parish Council.
- Apply Best Value Principles to the Parish Council's affairs, even though there is no legal requirement to undertake this, and recommend accordingly.
- Consider forward planning and provide earmarked reserves for the replacement of equipment, buildings and specific items of expenditure required in the future in order to lessen the precept burden in any one year.
- Undertake an annual review of all fees, charges and allowances.

- Consider all aspects of the Parish Council's service delivery and recommend accordingly.
- Seek grant aid and appropriate support in respect to the responsibilities of the Parish Council.
- Make investments in the long and short term.
- Ensure that the Parish Council is adequately insured, that this is reviewed annually and recommend accordingly. To instigate insurance claims being made.
- Produce each year a financial report to be made available to residents and the public.
- Submit claims for the recovery of VAT.
- Authorise subscriptions to organisations that are involved in local and national issues, which affect the work of the Parish Council.
- Monitor all income and expenditure during the financial year and where appropriate recommend action to be taken.
- Record expenditure under Section 137 of the Local Government Act and record this in end of year balance sheets.
- Recommend the borrowing of funds and making the appropriate Loan Sanction Applications.

3.1 Financial Regulations

- To review as necessary and update the Financial Regulations, ensuring they are observed and make appropriate recommendations to Full Council.

3.2 Annual Budget

- To prepare and submit the Parish Council's annual budget for approval to the relevant Full Council Meeting.

3.3 Reserves

- To ensure that all reserves are managed in line with the Parish Council's Financial Regulations.

3.4 Internal and External Audits

- To receive and review both Internal and External Audit Reports and arrange for implementation of any recommendations. The Internal Auditor carries out annual Audits and is appointed by the Parish Council. The External Auditor carries out an annual Audit of the Annual Return and is appointed through legislation.

3.5 Grants And Donations

- To consider all applications for grants (to charities) and donations (to other organisations or individuals, usually operating within the Parish) and make recommendations to Full Council, in line with the Parish Council's Policy.

3.6 Legal Matters

- To oversee all legal matters pertaining to leases, mortgage, insurance claims, easements, tenancies, contracts, loans, insurance cover, damage to property, specification of work and debt recovery and make recommendations to Full Council.

4.0 The Responsible Financial Officer

The Responsible Financial Officer (RFO) is responsible for the proper administration of the Parish Council's financial affairs. The RFO will attend all Finance Committee meetings.

5.0 Committee Meetings

The calendar of meetings shall be confirmed at the first meeting after the Annual Meeting of Creech St Michael Parish Council.

The Parish Clerk and RFO or the Chair of the Finance Committee may call additional Finance Committee meetings as and when necessary.

Only members of the Committee may vote on agenda items but other Councillors may attend in that capacity and may speak with the permission of the Chair but shall not be entitled to vote.

Minutes of all meetings will be recorded by the Parish Clerk and RFO or by any member nominated at the meeting and circulated at the Full Parish Council meetings.