



# PINCHBECK PARISH COUNCIL

## FINANCE COMMITTEE

### TERMS OF REFERENCE

#### **1. Purpose and Objectives**

- 1.1 The purpose of the Finance Committee is to oversee the financial affairs of the Parish Council and ensure responsible financial management.
- 1.2 The objectives of the Finance Committee include budgeting, financial planning, monitoring financial performance, and ensuring compliance with financial regulations and policies.

#### **2. Membership**

- 2.1 Appointed annually by the Parish Council, the Finance Committee shall consist of a minimum of five members, all of whom shall be members of the Parish Council.
- 2.2 The members of the Finance Committee should have a good understanding of financial management and be able to contribute effectively to the committee's work.

#### **3. Responsibilities**

- 3.1 Budgeting: working with the clerk, the Finance Committee shall be responsible for preparing the annual budget, ensuring that it reflects the priorities and needs of the community.
- 3.2 Financial Planning: working with the clerk, the Finance Committee shall develop and maintain a long-term financial plan that aligns with the strategic objectives of the Parish Council.
- 3.3 Investments: working with the clerk, the Finance Committee shall set out the Council's Annual Investment Policy.
- 3.4 Financial Monitoring: the Finance Committee shall regularly review the financial performance of the Parish Council, including monitoring income, expenditure, and reserves.
- 3.5 Financial Reporting: working with the clerk, the Finance Committee shall ensure that at least quarterly, the Parish Council is provided with accurate and timely information on the financial position of the Council.
- 3.6 Compliance: the Finance Committee shall ensure that the Parish Council complies with all financial regulations, policies, and procedures, including those set by the relevant authorities.
- 3.7 Risk Management: the Finance Committee shall identify and assess financial risks to the Parish Council and develop strategies to mitigate and manage these risks.
- 3.8 Internal Controls: the Finance Committee shall establish and maintain effective internal controls to safeguard the Parish Council's assets and ensure the accuracy and integrity of financial records.
- 3.9 Audit and External Reporting: the Finance Committee shall ensure the timely submission of the Annual Governance and Accountability Return (AGAR), publishing information in accordance with the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015.

#### **4. Meetings**

- 4.1 The Finance Committee shall meet at least quarterly, or more frequently as necessary to fulfil its responsibilities.
- 4.2 The Committee shall elect a chairperson at the first meeting held after the Annual Meeting of the Parish Council.
- 4.3 Proper notices of meetings shall be posted with the correct period of notice given.
- 4.4 No business may be transacted at a meeting unless at least three committee members are present.
- 4.5 Minutes of the Finance Committee meetings shall be taken and distributed to all members of the Parish Council.
- 4.6 A note-taker shall be appointed in the absence of the clerk.

#### **5. Reporting**

- 5.1 The Finance Committee shall report its activities and recommendations to the Parish Council on a regular basis, providing updates on financial matters and seeking approval as required.

#### **6. Review and Amendment**

- 6.1 These Terms of Reference shall be reviewed periodically by the Finance Committee and may be amended with the approval of the Parish Council, as necessary, to ensure their continued effectiveness and relevance.