

SHAVINGTON-CUM-GRESTY PARISH COUNCIL
FINANCE COMMITTEE - TERMS OF REFERENCE

Under S.101(1) of the Local Government Act (LGA) 1972, a local council (ie a Town or Parish Council) may arrange for the discharge of any of its functions to –

- A committee (and any sub-committee); or
- An employee; or
- Another local authority

Note: This does not preclude the Parish Council itself from performing any functions delegated on its behalf.

S.101(6) of the LGA 1972 prohibits a local council from delegating its function of levying or issuing a precept, to a committee, a sub-committee or an employee. It is for the full Parish Council to make this decision.

- (a) The Committee shall be a standing Committee (to be re-appointed at the Annual Meeting) comprising five parish councillors.
- (b) The Committee shall elect a Chairman at its first meeting in each municipal year.
- (c) The Committee shall operate under the Parish Council's Standing Orders.
- (d) The quorum shall be three councillors.
- (e) Number of meetings in an ordinary year: as and when required, but no fewer than three to allow (a) review of the year-end accounts prior to submission for internal and external audit; (b) budget monitoring half-way through the financial year; (c) to consider a proposed budget for the forward year; and (d) to conduct a review of the effectiveness of the system of internal audit.
- (f) Notice of meetings shall be in accordance with public notice requirements as set out in the Public Bodies (Admission to Meetings) Act 1960.
- (g) Voting shall be in accordance with the Parish Council's Standing Orders.
- (h) The Committee's responsibilities shall be as follows:
 - Monitor the Financial Regulations.
 - Monitor the financial administration of the Council.
 - Drafting the annual budget as prepared by the Clerk/Responsible Financial Officer and submit to Council no later than January each year.
 - Carry out on-going audit controls throughout the year, as necessary.
 - The Chairman of the Finance Committee to deliver to Council, no less than three times a year, a report on progress in respect of actual expenditure compared with budget for the appropriate period.
 - Verify the end-of-year accounts prior to reporting to the Council.
 - Conduct an annual review of the effectiveness of internal audit.

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- Consider other financial matters, as necessary, and make recommendations to Council, as appropriate.
 - Annual review of the Council's insurance policies and monitor the procedure for risk assessment of all the Council's activities.
 - Maintain an effective procedure for awarding grants.
 - In accordance with the Finance Regulations 2019, appoint one of its Members (other than the Chairman or a cheque signatory) to verify bank reconciliations for all accounts, produced by the RFO. The Member shall sign the reconciliations and the original bank statements as evidence of verification. This activity shall, on conclusion, be reported to the Parish Council.
- (i) Terms of Reference for the Committee shall be reviewed at the Annual Meeting of the Council; the Committee itself may make recommendations for change as and when necessary.