



Local Government for Langton Green, Speldhurst,  
Ashurst and Old Groombridge

## **FINANCE COMMITTEE**

### **TERMS OF REFERENCE**

The role of the Finance Committee is to oversee/manage the following aspects of the financial administration of the Parish Council including arrangements for the preparation and audit of the Council's systems and accounts.

The Finance Committee shall:

- Develop and, where necessary, recommend to the Parish Council policies and procedures for the financial management of the council. Advise the Parish Council and Committees as necessary;
  - Implement the investment strategy of the Parish Council and make recommendations regarding;
  - Recommend an annual budget and precept for the Council;
  - Monitor reserves to ensure that surpluses are not built up other than for working capital or for earmarked projects and known liabilities, ensuring that sufficient reserves are retained for future maintenance, replacement or upgrading of items for which the Council is responsible;
  - Monitor income and expenditure against budget and recommend appropriate action to the Council or Committees. This includes to note the financial reports on behalf of the Council.
1. The Committee will appoint a Chair and Vice-Chair at the first meeting following the Annual Meeting of the Council in May each year.
  2. A Chair shall serve no more than three consecutive years.
  3. In the event of the Chair's and Vice-Chair's absence the members of the committee present will appoint a Chair, at the beginning of the meeting, for that meeting.
  4. The Committee shall consist of no more than seven Councillors.
  5. The Committee cannot appoint non-Councillors as Committee Members.
  6. Each meeting requires a quorum of four Members.
  7. The Responsible Financial Officer (RFO) will attend all meetings.
  8. The Committee will operate in accordance with Local Government Law and in accordance with the Council's Standing Orders and Financial Regulations.
  9. The Chair will make a report to Full Council at each meeting.

10. There will be a minimum of four meetings in any financial year which may be called as the RFO and Committee Chair feel necessary to ensure that Members are up to-date with the financial management of the Parish Council, or when there are grant requests (see 13.) that require a decision.
11. The Committee will hold a meeting in late October to discuss the budget and make its recommendation on the precept for the following financial year. This meeting will be held in time to report to Full Council at its November meeting. Confirmation of the precept will take place at the January meeting of the Full Council.
12. The Committee has spending powers to a maximum of £7,500 per item of expenditure. The Committee will make recommendations, for submission to Full Council, on all expenditure in excess of this sum.
13. When considering grant applications, the committee shall ensure that it follows the Grant Awarding Guidelines.
14. The Terms of Reference will be reviewed annually.