

## **FINANCE COMMITTEE TERMS OF REFERENCE**

The Finance Committee is constituted as a Standing Committee of East Haddon Parish Council. The primary purpose of the committee is to manage the Council's finances. The Committee's duties are defined and agreed by the full council, which may vote, at any time, to modify the committee's duties.

### **1. Membership of the Finance Committee**

- a. Membership of the committee will be decided at the Annual Parish Council Meeting in May each year.
- b. The committee shall consist of 4 members of the Parish Council.
- c. The Chair (and Vice-Chair if required) of the committee will be elected by the committee membership at its first meeting after the Annual Parish Council Meeting.
- d. The committee shall be subject to a quorum of three of its members. Substitute members (who must be Councillors) are permitted if the meeting will be inquorate, providing statutory notice has been given, and in consultation with the Clerk.
- e. All members will have voting rights.
- f. All Councillors not elected to the Finance Committee may attend and participate in the public session of the meeting but shall not be entitled to vote.
- g. In accordance with Standing Orders 4b, non-Councillors are not permitted to join a committee that "regulates and controls the finances of the council".

### **2. Meetings**

- a. All meetings of the Finance Committee will be convened in accordance with the Parish Council's Standing Orders.
- b. Meetings to be convened as per the schedule of meeting dates agreed at the Annual Parish Council Meeting.
- c. Extraordinary meetings may be arranged as necessary.
- d. Meetings will be minuted by the Clerk / RFO or a member of the committee.
- e. Minutes to be presented to the next available Ordinary meeting of the council.

### **3. Responsibilities**

The Finance Committee will have the following specific duties:

- a. To prepare budgets and make precept recommendations, with justification, to full council for approval.
- b. To monitor expenditure against budget and make recommendations to full council, with justification, for any changes such as adjustments to budgeted expenditure, virements between allocated funds, and to planned transfers to reserves.
- c. To review, agree and make recommendations for future capital projects, with justification, to full council.
- d. To review the council's Financial Regulations annually and to ensure that the council is observing the regulations.
- e. To ensure adequate financial controls are in place to utilise and protect the council's finances and assets – to include insurance and maintenance of the asset register.
- f. To monitor and effect compliance with laid down internal and external audit and other financial procedures, regulations, and statutes.

### **4. Delegated Powers**

The committee is authorised to –

- a. Approve expenditure, subject to a £10,000 limit (Financial Regulations 4.1).
- b. In the event that a parish council meeting is cancelled, to approve expenditure (subject to limit) by at least 3 committee Councillors emailing authority to the Clerk (Financial Regulations 4.1).

First adopted November 2025

Annual review every May (Annual Parish Council Meeting)