



# Preesall Town Council

## Finance Committee Terms of Reference

### 1. Committee

The finance committee is constituted as a standing committee of Preesall Town Council. The primary responsibility of the committee is to manage the town council's finances and to advise on policy, strategy and actions relating to its financial administration.

### 2. Terms of reference

The terms of reference of the finance committee are to be reviewed at the first meeting of the committee after the Annual Meeting of the full council or when necessary. Appropriate recommendations are to be made to full council. In election year they are reviewed by full council.

### 3. Members

Membership is limited to four councillors; all serving councillors may request to be appointed to the committee. Membership is to be reviewed and voted on annually at the Annual Meeting of the full council. The quorum necessary for the transaction of business shall be three, one of whom must be Chair of the committee or their nominee in the event of absence.

### 4. Chair

The Chair is to be elected annually by the committee at its first meeting after the Annual Meeting.

### 5. Voting

Only appointed members may vote and participate in a meeting. In the case of an equal vote the Chair shall have a second or casting vote.

### 6. Interests

If a member has a personal interest as defined by the Code of Conduct adopted by the town council, then they shall declare such interest as soon as it becomes apparent, disclosing the nature and extent of the interest as required. N.B. If a member who has declared an interest, then considers the interest to be prejudicial, they must withdraw from the room during consideration of the agenda item to which the interest relates.

### 7. Meetings

The committee will meet as deemed necessary to meet the financial needs of the council.

The agenda shall be circulated in advance by e-mail to those committee members who are online and by hand to others, giving three clear days' notice, and stating venue, time and date of the meeting.

All meetings of the committee are to be published on the noticeboards and on the council's website. Items to be discussed at the meetings are limited to those that are included on the agenda for the meeting. The Town Clerk, who is the Responsible Financial Officer (RFO), will attend all meetings of the committee with the accounts available and is responsible for the maintenance of any documents and records necessary for the effective fulfilment of the committee's responsibilities (below).

The Clerk to the council shall act as the secretary of the committee. The Clerk shall minute the proceedings and resolutions of all meetings of the committee, including recording the names of those present and in attendance.

The public and press may be admitted to addressing the committee meeting about items on the agenda. Members of the public and press may speak in accordance with the council's Standing Orders however they may be excluded from the meeting if confidential business is to be conducted.

Minutes of committee meetings shall be circulated to all members of the committee and shall be considered and approved at the next committee meeting.

Minutes taken will be published and lodged with the town council in accordance with the town council's Standing Orders. All Minutes shall be open for inspection by any member of the town council or public.

## **8. Responsibilities The finance committee has delegated authority from Preesall Town Council to:**

- a. Review annually and update the Financial Regulations, ensuring they are observed and make appropriate recommendations to full Council **for resolution** (*reference financial regulations 19.1*)
- b. Investigate and recommend to the council the annual budget, and the precept to be requested. This would occur after the council's project meeting in October, but no later than December (*reference financial regulations 4.3*).
- c. Propose items of expenditure.
- d. All payments shall be made by online banking/cheque, in accordance with a resolution of the council or duly delegated committee or a delegated decision by an officer, unless the council resolves to use a different payment method. (*reference financial regulations 6.5*)
- e. Consider forward planning and recommend the provision of 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 (*reference financial regulations 4.11*).
- f. Ensure that all reserves are managed in line with the council's Financial Regulations. (*reference financial regulations 4.4*)
- g. Maintain the council's asset register, for resolution by full council.
- h. Ensure the council is adequately insured that this is reviewed annually and recommended accordingly to full council. (*reference financial regulations 17.1,17.2,17.3,17.4*)
- i. Undertake an annual review of all fees, charges and allowances and make appropriate recommendations to full council. (*reference financial regulations 4.3*)
- j. Monitor the financial administration of the council by the RFO.
- k. Ensure that the RFO prepares the accounts of the council and arranges the internal and external audit. (*reference financial regulation 3.1,3.2,3.3,3.4,3.11,3.12*)
- l. Each year produce a financial report to be made available to residents and the public (subject to agreement by full Council).
- m. Approve day-to-day expenditure within approved budgetary limits. (*reference financial regulations 6.10*)
- n. A member, other than the chair will monitor quarterly reports prepared by the RFO in order to confirm actual expenditure against budgets. The Chair of the committee will report to the full council on the progress of actual expenditure compared to budget and make recommendations about the transfer of funds from and to a particular operating budget. (*reference financial regulations 2.6*)
- o. Ensure the RFO prepares an annual bank reconciliation and reports it to all members. (*reference financial regulations 3.4*)
- p. Oversee grant aid applications received and checked for policy compliance by the RFO, as appropriate, and report back to council.
- q. Authorise subscriptions to organisations that are involved in local and national issues, which affect the work of the council.
- r. Review bank mandates at least annually, and recommend accordingly to full council for resolution (*reference financial regulations 6.1*)

- s. Approve regular payments (such as gas, electricity, telephone, broadband, water, National Non-Domestic Rates, refuse collection, pension contributions and HMRC payments). The approval of such payments should be reviewed every two years. *(reference financial regulations 7.9, 11.4,11.5)*
- t. Review any standing orders payments every two years. *(reference financial regulations 7.11)*
- u. One member along with the clerk/R.F.O to authorise changes to account details for suppliers upon written confirmation. *(reference financial regulations 7.12)*
- v. Review payroll reports *(reference financial regulations 11.6)*

## 9. Financial Regulations

The Financial Regulations of Presall Town Council govern the conduct of all financial transactions of the Council.

The Clerk/Responsible Financial Officer (RFO) is responsible for the proper administration of the town council's financial affairs and is responsible for the maintenance of any documents and records necessary for the effective fulfilment of the committee's duties.

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