



East Woodhay Parish Council

Finance Committee Terms of Reference

September 2023

1. Membership

The Councillors of East Woodhay Parish Council (the Council) will have a Finance Committee (the Committee) to consist of the Finance Committee Chair, a Vice Chair, Chair of Amenities (due to value of spend within Amenities) and the RFO.

The Clerk/RFO will administer the Committee and be the point of contact for members of the public. The Clerk/RFO will report to the Chairman of the Committee, who will report to the Council regarding the Committee's activities and plans and any other relevant issues.

The Committee is authorised to establish working groups which may meet informally; however, these will be advisory only and any decisions must be taken by the Committee as described herein.

The Finance Committee is constituted as a standing committee of East Woodhay Parish Council and as such shall adhere to Standing Orders.

2. Meetings and Minutes

Meetings will be held a minimum of twice a year or as often as necessary to fulfil the responsibilities below. Minutes will be taken and added to the website.

3. Responsibilities

The Responsible Financial Officer (RFO- see description below), in conjunction with the Committee has overall responsibility for the management of the council's financial affairs in accordance with legislative requirements, regulations and guidelines. The Committee has the ability to establish working groups to review any of these responsibilities as required.

The Committee has the following responsibilities:

- Receive end of year bank reconciliation, together with the final payments & receipts spreadsheets and bank statement for inspection prior to submitting to full council for acceptance and signature.

- Review the Financial Regulations annually and submit any recommended amendments to full council for approval
- Review the Asset Register annually and submit any recommended amendments to full council for approval
- to monitor and report the Council's income and expenditure against the budget each quarter
- to prepare the Council's annual budget
- to make a recommendation to the Council of the precept required for the next financial year
- to make recommendation for any changes in salary and pension for Council employees
- to review Clerk's performance annually against their job description (the RFO will be excluded from such discussions)
- Review insurance policy annually and make necessary updates to meet changes in requirements
- to ensure the Council observes its financial regulations
- to review the financial regulations and financial risk assessment annually, make recommendations for change to the Council
- to receive internal and external audit reports and implement any recommendations
- to oversee financial matters pertaining to leases, insurance claims, easements, tenancies, contracts, loans, insurance cover, damage to property and make recommendations to the Council
- Reconcile and manage CIL / S106 funds.

The Committee shall not authorise solely without full Council disclosure:

- monthly Council payments
- the Council's banking arrangements
- the precept for the following year.

These terms of reference shall be reviewed annually by the Council.

RFO definition

Role: Prepare Financial Statements for each financial year; prepare Accounts and Annual Return for the Council each year, arrange Internal Audit in accordance with Financial Regulations; manage the risks faced by the Council and recommend such insurance; maintain Council's asset register; make payments incl. salaries; submit VAT returns.

Legal Basis: S.151 LGA 1972 requires a local council to ensure an officer has overall responsibility for the financial affairs of the council. This can be a separate position to a clerk but is often carried out by the clerk as well.

Overall responsibilities: To ensure financial management is conducted within the council's financial regulations. To prepare accounts for audit every year, submit VAT returns, ensure management of budget throughout the year, maintain asset register, organise salary payments.

Statutory duties: To ensure financial control systems put in place by the council are observed, and accounting records kept up to date (Accounts & Audit Regulations 2015/234 Reg 4).

Must sign and date yearly accounts, confirm that they are a true record of the council's financial position, and commence period for exercise of public rights and have accounts audited (Accounts & Audit Regulations 2015 Reg 9).