

## **Freshwater Parish Council**

### **Finance and Governance Committee**

#### **Terms of Reference**

**2026**

#### **Objective:**

To manage the Council's financial resources, to discuss and recommend strategies to the Full Council. The committee is to consider all areas of the Council's finances, including but not limited to management of budgets, contracts and investments.

#### **Membership:**

The committee shall comprise a total of 6 FPC councillors.

The Chair and Vice Chair may attend ex officio however if the meeting would be inquorate the Chair of the Council will be given voting rights for that meeting only. If the Chair of the Council is not available and the meeting would be inquorate, then the Vice Chair will be given voting rights for that meeting only.

#### **Chair:**

- To be elected at the Annual Meeting of the Council.
- In the event of the Chair resigning mid-term, a new chair will be elected at the next finance committee meeting or the next full council meeting, whichever meeting sits first.
- If the Chair is unable to attend any scheduled meeting, it would be their responsibility to inform the Vice Chair and RFO/Clerk as soon as possible to ensure the Vice Chair has time to adequately prepare to manage the business of that meeting.

#### **Vice Chair:**

- To be elected at the Annual Meeting of the Council.
- In the event of the Vice Chair resigning mid-term, a new vice chair will be elected at the next finance committee meeting or the next full council meeting, whichever meeting sits first.
- The Vice Chair shall work with and support the Chair to ensure the financial stability of the Council.
- The Vice Chair will stand in for the Chair if the Chair is not available to attend a meeting.

#### **Quorum:**

The quorum of the committee is 3.

Approved: 8<sup>th</sup> July 2025

Reaffirmed: 5<sup>th</sup> May 2026



**In Attendance:**

The RFO and/or a delegated member of staff will attend all committee meetings.

**Meetings:**

Meetings will usually be held every two months; the days of the meetings will usually be on a Tuesday, with dates to be agreed at annual council.

**Admission of the Public and Press:**

The meetings will normally be open to the public in accordance with the Council's Standing Orders.

**Minutes/Reports:**

Minutes of all meetings will be recorded by an officer, circulated to committee members and the full council.

**Accountability and Scope:**

The Committee has delegated powers to act on behalf of the Council in relation to the defined terms of reference only; any recommendations outside the Committee's terms of reference shall be made to the Full Council.

**Delegated Authority:**

- The committee shall maintain the Council's register of assets
- The committee shall ensure that the internal and external audit is carried out in accordance with the Financial Regulations
- The committee can approve individual items of expenditure within budget up to the value of £10,000. Any amount greater than this will be referred to the Council for approval.
- To approve contracts, within budget, relating to any works required up to the value of £25,000. Any greater amounts will be referred to Full Council for approval.
- To review and agree the Council's banking and investment arrangements

To prepare budgets and recommend precepts to Full Council for approval in line with the Council's Standing Orders.

- The Committee shall ensure that contracts are administered correctly and efficiently by the Clerk/RFO

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- The Committee shall consider and approve grant applications up to the value of £5,000. Applications exceeding £5,000 will be reviewed and a recommendation be made to the Full Council in line with the Council's grant policy.
- The Committee shall establish and implement a community grant evaluation process to ensure full financial due diligence is maintained.
- To ensure adequate financial controls are in place to utilise and protect the Council's finances and assets – to include insurance of buildings and property.
- To review and recommend amendments to the Council's Financial Regulations annually and to ensure that the Council is observing the regulations.
- To monitor and effect compliance with laid down internal and external audit and other financial procedures, regulations and statutes.
- To monitor the Council's financial risk assessment and recommend changes where necessary to Full Council for approval.

**Delegation to Officers:**

- The Clerk and/or RFO have delegated authority to settle any invoice due by the Council. Before payment of accounts are made, the Council's officer responsible must be satisfied that the goods have been received or works undertaken, are in accordance with the specification, and that the account is correctly made out with the relevant expenditure being properly incurred. A list of payments will be presented to Full Council for ratification at the next meeting.
- The Clerk has the authority to purchase routine goods and services for the running of the council, within budget, to the sum of £10,000.
- Following an annual risk assessment, the Clerk shall affect all insurances and negotiate all claims on the Council's insurers. The Clerk shall report any loss liability or damage, or any event likely to lead to a claim to the Council or the appropriate committee at the next available meeting.
- The Finance Committee's Terms of Reference are to be reviewed annually at the Council's Annual General Meeting.