

HAMBLE PARISH COUNCIL

Finance Committee – Terms of Reference

1. Purpose

The Finance Committee is responsible for overseeing the Council's financial management, including budget preparation, financial monitoring, governance, and audit compliance.

The Committee ensures that:

- Financial resources are aligned with the Council's strategic priorities
- Effective financial controls and risk management processes are in place
- Statutory and regulatory requirements are met

The Committee has delegated authority to make decisions within the limits set out below and otherwise makes recommendations to the Full Council.

2. Responsibilities

2.1 Budget and Precept

- Prepare and recommend the annual budget and precept to Full Council
- Liaise with Assets
- Monitor income and expenditure against the approved budget
- Recommend corrective action where necessary

2.2 Financial Oversight and Governance

- Ensure adequate financial controls are in place and operating effectively
- Review and recommend updates to Financial Regulations and related policies
- Monitor compliance with audit requirements and governance standards

2.3 Audit

- Receive and review reports from the Internal and External Auditors
- Monitor implementation of audit recommendations
- Respond to audit matters relating to financial management, assets, or governance

2.4 Risk Management

- Oversee financial risk management, including fraud prevention and internal controls

2.5 Investments and Reserves

- Monitor and review the Council's reserves and earmarked funds
- Oversee investment arrangements in line with statutory guidance and Council policy

2.6 Grants

- Consider and recommend grant applications in accordance with the Council's Grant Awarding Policy and approved budget

2.7 Assets and Insurance

- Oversee financial aspects of asset management
- Review the adequacy of insurance arrangements

2.8 Procurement

- Oversee procurement processes in line with the Council's Financial Regulations
- Ensure value for money and transparency in financial decisions

2.9 Contracts & Service Agreements

- Oversee the appointment, management, and review of all Council contracts and service providers (including HR, cleaning, IT, and similar services), ensuring value for money and compliance with relevant regulations

3. Membership

- The Committee shall comprise 5 councillors, appointed annually by the Council
- The Chair of the Committee shall be appointed by the Council
- The Chairman of the Council is an ex officio member
- The quorum shall be 3 members

The Responsible Financial Officer (RFO) and the Deputy Clerk shall attend all meetings to provide professional advice.

The Committee may co-opt non-voting members with relevant expertise where appropriate.

4. Delegated Powers

The Committee has delegated authority to:

- Approve expenditure and financial decisions up to £10,000 per item, provided this is within an approved budget
- Consider and approve grants within budget and policy limits

No individual transaction shall exceed £10,000.

All matters exceeding this limit shall be referred to Full Council with a recommendation.

5. Meetings

- The Committee shall meet at least 4 times a year in and around key dates February, June, September and November.
- An annual schedule of meetings will be agreed by Full Council in May
- Additional meetings may be convened as required

6. Decision Making

- Decisions shall be made by a simple majority of members present
 - In the event of an equality of votes, the Chair shall have a casting vote
 - If the meeting becomes inquorate, no further business shall be transacted
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7. Confidentiality

The Committee may exclude the public and press from meetings in accordance with 1972 LGA act where confidential or sensitive information is to be considered. All members must respect the confidentiality of such matters.

8. Reporting

- The Committee shall report all decisions and recommendations to the next meeting of the Full Council
 - Minutes shall be recorded and maintained in accordance with Council procedures
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9. Review

These Terms of Reference shall be reviewed annually by the Committee and approved by the Full Council at the Annual Meeting in May.