



Barrowby Parish Council

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Terms of Reference Finance Committee

Document control

- **Owner:** Full Council
- **Responsible officer:** Responsible Financial Officer
- **Reviewed by:** Finance Committee
- **Adopted:** 11.05.2026 (Minute ref: 8e [26/008])
- **Version:** 2026.1
- **Review:** Annually or earlier if legislation/guidance/banking arrangements changes
- **Next review due:** January–March 2027 by the Responsible Financial Officer and Finance Committee, with recommendation to Full Council for formal adoption at the Annual Parish Council Meeting in May 2027.

1. Purpose

1.1 The Finance Committee is appointed by Barrowby Parish Council to support effective financial governance, budget preparation, budget monitoring, internal financial oversight and review of financial policies.

1.2 The Committee shall act in accordance with the Council's Standing Orders, Financial Regulations, Scheme of Delegation, Code of Conduct, approved budget, policies, procedures and relevant legislation.

1.3 The Committee is a committee of the Council. It may make recommendations to Full Council and may exercise only those powers expressly delegated to it by Full Council through these Terms of Reference, the Financial Regulations or a specific Council resolution.

1.4 The Committee shall not make decisions on matters reserved by law, Standing Orders, Financial Regulations or the Scheme of Delegation to Full Council.

2. Membership

2.1 The Committee shall consist of up to five parish councillors appointed by Full Council.

2.2 Membership shall be reviewed annually at the Annual Meeting of the Council, or sooner if required.

2.3 The Chair of the Committee shall be appointed by Full Council unless Full Council resolves that the Committee may appoint its own Chair.

2.4 The Committee may appoint a Vice-Chair if Full Council has not done so.

2.5 Non-councillors shall not be voting members of the Finance Committee because the Committee is concerned with the regulation and control of the Council's finances.

2.6 The Clerk and Responsible Financial Officer may attend meetings of the Committee to provide advice, reports and information, but are not members of the Committee and do not vote.

3. Quorum

3.1 The quorum of the Committee shall be three councillors.

3.2 No business shall be transacted if the meeting is or becomes inquorate.

4. Meetings

4.1 The Committee shall meet at least four times each financial year.

4.2 Meetings shall normally be held:

- a. after each financial quarter to review budget monitoring, payments and receipts;
- b. during the autumn budget-setting period to consider draft budget proposals; and
- c. at any other time where required to consider financial matters, audit recommendations, policy reviews or urgent financial issues.

4.3 Meetings shall be convened, advertised and conducted in accordance with Standing Orders and statutory requirements.

4.4 Meetings shall be open to the public unless the public are lawfully excluded by resolution due to confidential or exempt business.

4.5 The Committee shall report its decisions and recommendations to Full Council.

5. Budget preparation

5.1 The Committee shall work with the Responsible Financial Officer, Clerk and relevant committees to prepare draft budget proposals for the following financial year.

5.2 The Committee shall consider:

- a. expected income and expenditure;
- b. contractual and statutory commitments;
- c. staffing costs, where provided by the appropriate officer or committee;
- d. utility, insurance, maintenance and running costs;
- e. asset repair and replacement requirements;
- f. project proposals from committees;
- g. grant income and expenditure where known;
- h. earmarked reserves and general reserves;
- i. known financial pressures and risks;
- j. inflationary and contractual increases; and
- k. any other matter relevant to the Council's financial planning.

5.3 The Committee shall make budget recommendations to Full Council.

5.4 The final budget and precept shall be set by Full Council and shall not be delegated to the Finance Committee.

6. Budget monitoring and financial oversight

6.1 The Committee shall review income and expenditure against the approved budget at least quarterly.

6.2 The Committee shall review financial reports prepared by the Responsible Financial Officer, including where appropriate:

- a. receipts and payments or income and expenditure;
- b. bank balances;
- c. budget comparison;
- d. earmarked reserves and general reserves;
- e. actual or potential overspends;
- f. significant variances;
- g. outstanding invoices or debts;
- h. VAT reclaims;
- i. payroll and HMRC payments in summary form; and
- j. any financial risks or issues identified by the Responsible Financial Officer.

6.3 The Committee shall highlight any financial concerns, overspends, risks or recommendations to Full Council.

6.4 The Committee may recommend virements, reserve movements or budget adjustments to Full Council.

6.5 The Committee shall not approve expenditure outside budget unless expressly authorised by Full Council or the Financial Regulations.

7. Bank reconciliations and internal control

7.1 The Committee shall receive reports confirming that bank reconciliations have been prepared and verified in accordance with the Financial Regulations.

7.2 The Committee shall review the effectiveness of financial monitoring arrangements and may make recommendations to Full Council on improvements to internal control.

7.3 The Committee shall review any internal control concerns raised by the Responsible Financial Officer, Clerk, internal auditor, external auditor or councillors and make recommendations to Full Council where appropriate.

7.4 The Committee shall not override the statutory responsibilities of the Responsible Financial Officer.

8. Audit and Annual Governance and Accountability Return

8.1 The Committee may review internal audit reports, external audit reports and audit recommendations.

8.2 The Committee may recommend actions to Full Council in response to audit findings.

8.3 The Committee may review draft year-end financial information before it is presented to Full Council.

8.4 Approval of the Annual Governance Statement, Accounting Statements and Annual Governance and Accountability Return shall remain reserved to Full Council.

9. Financial Regulations and financial policies

9.1 The Committee shall review the Council's Financial Regulations at least annually and recommend any amendments to Full Council.

9.2 The Committee may review and make recommendations on financial policies, procedures and controls, including:

- a. reserves policy;
- b. investment policy or strategy, if required;
- c. grants policy;
- d. fees and charges;
- e. procurement procedures;
- f. banking arrangements;
- g. debit card arrangements;
- h. insurance arrangements; and
- i. any other financial governance matter referred to it by Full Council.

9.3 Adoption or amendment of Financial Regulations shall remain reserved to Full Council.

10. Procurement and contracts

10.1 The Committee may review procurement processes and contract monitoring arrangements where requested by Full Council or where relevant to financial oversight.

10.2 The Committee may make recommendations to Full Council on tenders, contracts, procurement exemptions or contract awards.

10.3 The Committee may only award contracts or authorise procurement where Full Council has expressly delegated authority to do so.

10.4 The Committee shall not instruct contractors, issue orders or commit the Council to expenditure unless expressly authorised by Full Council, the Financial Regulations or a specific Council resolution.

11. Payments and expenditure

11.1 The Committee may review schedules of payments, payment reports and financial monitoring information.

11.2 The Committee may review regular payments, direct debits, standing orders and other routine payment arrangements and make recommendations to Full Council where required.

11.3 The Committee shall not replace the requirement for payment approval in accordance with the Financial Regulations and bank mandate.

11.4 The Committee shall not authorise payments, release bank payments or approve expenditure unless expressly authorised by Full Council or the Financial Regulations.

12. Reserves

12.1 The Committee shall review the Council's earmarked reserves and general reserve position as part of the budget process and during the financial year where appropriate.

12.2 The Committee may recommend additions to, withdrawals from, or reallocations of reserves to Full Council.

12.3 Decisions to create, use, reduce or reallocate earmarked reserves shall remain with Full Council unless expressly delegated.

13. Fees, charges and income

13.1 The Committee may review fees and charges as part of the annual budget process or when requested by Full Council.

13.2 The Committee may recommend changes to fees and charges to Full Council.

13.3 The Committee may monitor income collection and highlight concerns about debts, arrears or income shortfalls.

13.4 The writing off of bad debts shall remain a matter for Full Council unless expressly delegated.

14. Insurance and risk

14.1 The Committee may review insurance arrangements, renewal information and financial risk matters with the Responsible Financial Officer and Clerk.

14.2 The Committee may make recommendations to Full Council on insurance cover, fidelity guarantee, asset cover or financial risk management.

14.3 The Committee shall not assume responsibility for operational risk management outside its financial oversight role.

15. Staffing and confidential matters

15.1 The Committee may consider staffing costs for budget-setting and financial monitoring purposes.

15.2 The Committee shall not determine staffing structures, contracts, pay, grievance, disciplinary, capability or appraisal matters unless expressly authorised by Full Council and consistent with the Council's Staffing Committee Terms of Reference and employment policies.

15.3 Personal staffing information shall be treated as confidential and handled in accordance with data protection requirements.

16. Limits of authority

16.1 The Committee shall not:

- a. set the final budget;
- b. set the precept;
- c. approve the Annual Governance Statement;
- d. approve the Accounting Statements;
- e. approve the Annual Governance and Accountability Return;
- f. authorise borrowing;
- g. declare eligibility for the General Power of Competence;
- h. adopt or amend Standing Orders, Financial Regulations or the Scheme of Delegation;
- i. make decisions reserved to Full Council by law or Council policy;
- j. instruct staff, contractors or volunteers except through proper Council processes;
- k. authorise expenditure outside budget unless expressly delegated; or
- l. bind the Council to any contract or financial commitment unless expressly authorised.

16.2 Any matter that is sensitive, contentious, unusual, financially significant, outside budget, outside delegated authority or has wider policy implications shall be referred to Full Council.

17. Working with officers and committees

17.1 The Committee shall work with the Responsible Financial Officer, Clerk and other committees to support effective financial planning and monitoring.

17.2 Other committees may submit budget proposals, project costings or financial concerns to the Finance Committee for consideration as part of the budget process.

17.3 The Responsible Financial Officer shall provide financial information to the Committee as required for the proper exercise of its role.

17.4 The Committee shall not direct the Responsible Financial Officer or Clerk to act contrary to legislation, Financial Regulations, Standing Orders, the Scheme of Delegation, Council policy or professional advice.

18. Review

18.1 These Terms of Reference shall be reviewed annually by the Finance Committee and recommended to Full Council for adoption.

18.2 They shall also be reviewed earlier if required by changes in legislation, guidance, Financial Regulations, Standing Orders, banking arrangements, Council structure, audit recommendations or Council resolution.