

Oakthorpe, Donisthorpe & Acresford Parish Council



FINANCE COMMITTEE TERMS OF REFERENCE

1. Delegation

1.1 ODA Parish Council has agreed to adopt the Finance Committee Terms of Reference at its meeting held on 5th May 2021 and has recorded the decision under Minute Reference 052112.2

1.2 ODA Parish Council will consider renewing these Terms of Reference at its Annual Parish Council meeting each year.

2. Membership

2.1 The Committee shall consist of a minimum of four Councillors who shall be elected each year at the Annual Parish Council Meeting.

2.2 The quorum of the Finance Committee will be three Members.

3. Procedures

3.1 The Committee will operate within ODA Parish Council's Standing Orders, Financial Regulations and Local Government Law.

3.2 At the Annual Parish Council Meeting of ODA Parish Council the Parish Council shall appoint the membership of this committee.

3.3 A Chairman for the Committee will be elected at the first meeting of the Committee each year.

3.4 The Committee will submit all its minutes of meetings to the next appropriate meeting of ODA Parish Council

3.5 The Committee will make recommendations to Full Council on the budget requirements and precept demand each January.

3.6 The Parish Clerk will provide administrative support for the Committee

4. Meeting Dates

4.1 A minimum of two meetings will be held each year.

4.2 The schedule of meetings shall be agreed at the Annual Parish Council meeting.

5. Committee Functions

The Committee shall:

5.1 Advise the Council on the financial aspects of the Council

5.2 Consider the annual and supplementary estimates of budget and make appropriate recommendations to the Council;

5.3 Recommend the precept requirement to ODA Parish Council for approval.

5.4 Carry out financial investigations and request relevant supporting documents and evidence when appropriate.

5.5 Ensure that the Parish Council's financial practices comply with the Financial Regulations set out by the Audit Commission, Central Government and Council's adopted Financial Regulations.

5.6 To review the Reserves Policy

Reserves Policy

The Parish Council is required to maintain adequate financial reserves to meet foreseeable needs and commitments and also to have money available in the event of an emergency. ODA Parish Council will hold the following reserves:

a) General Reserve

- 1.** The use of this is not restricted. It can be used to smooth the impact of uneven cash flows, offset the budget requirement or can be used to cope with unexpected events or emergencies.
- 2.** It is intended to grow then maintain the General Reserve at a level equivalent to six months precept income but at all times there should be sufficient to cover staff salaries to cover for long term sickness or the resignation of the Clerk/RFO whereby the services of a locum clerk will be required.
- 3.** If the balance is drawn down, replenishment will be provided for in the next annual budget.
- 4.** If the General Reserve is exhausted due to extreme circumstances, the Council may make emergency borrowings from Earmarked Reserves, which will be replaced in the next annual budget.

b) Earmarked Reserves

These are to be set up to meet known or predicted liabilities, for example:

- 1.** Replacing fixed assets, emergency repairs and other similar circumstances
- 2.** To cover accidents not covered by insurance, eg fallen/dangerous, trees; fencing/gate repairs
- 3.** Possible election in event of casual vacancy and contested election
- 4.** Future projects to improve the ODA Parish area, in accordance with the Parish Plan/ wish list.

Version number	Purpose/change	Author	Date
0.1	Initial draft	KG	9.20
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Reviewed annually	May 2022	May 2023	May 2024