

Harston Parish Council

Finance Committee – Terms of Reference

The Finance Committee is appointed to support the Council in fulfilling its financial responsibilities by:

- Overseeing financial management
- Monitoring income and expenditure against the approved budget
- Reviewing financial reserves
- Making recommendations to Full Council on all strategic financial matters

The Committee operates strictly within delegated powers and does not replace Full Council's ultimate responsibility for financial governance.

Membership

- The Committee shall consist of up to five councillors, appointed annually by Full Council.
- The Committee shall consist of a minimum of three councillors
- The Chair shall be elected by Full Council

Quorum

The quorum shall be three members.

4. Meeting Frequency

- The Committee shall meet on the first Thursday of the month at 7pm

5. Delegated Powers

The Finance Committee is authorised to:

- Authorise expenditure up to £5,000 within approved budgets
- Review monthly bank reconciliations
- Monitor and review income and expenditure against the approved budget on a quarterly basis.
- Review the regular payments schedule
- Ensure all payments submitted to the bank for suppliers are authorised within 3 weeks of submission
- Ensure all payments to employees are authorised as per contract terms.
- Note receipts and VAT reclaims
- To consider grant requests and make recommendations to Full Council
- Consider quotations and tenders within its delegated limit
- Review reserves and make recommendations to Full Council
- Oversee insurance arrangements and review cover as required
- Oversee financial aspects of contracts, leases, loans and legal agreements and make recommendations to full council.

6. Responsibilities (Advisory to Full Council)

The Committee shall make recommendations to Full Council on:

- The annual budget and precept
- Changes to reserves (including Earmarked and General Reserves)
- Financial management
- Audit findings and compliance actions
- Significant financial commitments or liabilities
- Insurance provision and claims
- Legal and contractual financial implications

7. Limitations

The Finance Committee does not have authority to:

- Set the annual budget or precept
- Approve the Annual Governance and Accountability Return (AGAR)
- Authorise expenditure over £5,000
- Approve spending from reserves
- Change Council policy or Financial Regulations
- Approve bank signatories or banking mandates
- Enter into major contracts

All such matters remain reserved to Full Council.

8. Reporting

- All decisions must be recorded in formal minutes
- Minutes shall be presented to the next meeting of Full Council
- The Committee must ensure transparency and accountability in all decisions

9. Compliance and Governance

The Committee shall operate in accordance with:

- Standing Orders (2025)
- Financial Regulations (2025)
- The Council's Scheme of Delegation
- The JPAG Practitioners' Guide
- Relevant legislation and audit requirements

10. Review

These Terms of Reference shall be reviewed annually at the first meeting of the parish council in May or when:

- Financial Regulations are updated