



Hordle Parish Council

Finance, Audit and Compliance Committee – Terms of Reference

To be Approved 21/5/24

1. Constitution

- 1.1 The Finance, Audit and Compliance Committee (the “**Committee**”) is a standing committee of the Hordle Parish Council (the “**Council**”).
- 1.2 The Committee is authorised by the Council to manage any activity within its Terms of Reference, which will be reviewed on an annual basis.

2. Membership and Quorum

- 2.1 The Committee shall consist of a minimum of three Councillors who shall be elected each year at the Annual Parish Council Meeting. Plus, the Clerk/Responsible Finance Officer (RFO). The Committee Chair and Vice-Chair will be agreed at the Annual Parish Meeting in May. Dates of meetings will be published and other members of the Council are invited to attend.
- 2.2 The Chair of the full Parish Council shall be a member of the Committee.
- 2.3 The Quorum of the Finance, Compliance and Audit Committee shall be 3 members.
- 2.4 Meeting dates will be publicised and any member of the Council is invited to attend.

3. Meetings

- 3.1 The Committee will meet in line with the Council’s finance and planning cycle and may meet more regularly should the need arise.
- 3.2 Meeting minutes will be taken and agreed by Committee members prior to circulation to the full Parish Council at the next Parish Council Meeting.

4. Role and Purpose of the Finance, Audit and Compliance Committee

- 4.1 To assist the Parish Council and the Responsible Finance Officer in overseeing financial management, financial and operational risks, internal and external audit, policy and transactional matters as laid out in the agreed Financial Regulations of the Council.
- 4.2 The Committee has no delegated powers **unless specifically instructed by resolution of the council in specific matters.**

5. Responsibilities

- 5.1 Monitor, manage and make recommendations to the Council in respect of financial matters.
- 5.2 Review the draft annual budget and submit to Council for approval and make recommendation regarding the precept.
- 5.3 Review, at least quarterly, performance against budget and recommend to the Council any corrective actions if necessary.
- 5.4 Ensure adequate levels of financial reserves are maintained.
- 5.5 Review the Parish Council's insurance arrangements to ensure they are adequate.
- 5.6 Ensure adequate financial controls are in place to utilise and protect the Council's finances and assets – to include insurance of buildings and property and maintenance of asset register.
- 5.7 To review and amend the Financial Regulations annually and to ensure that the Council is observing the regulations.
- 5.8 To monitor and effect compliance with laid down internal and external audit and other financial procedures, regulations and statutes.
- 5.9 To review annually and update the Financial Risk Assessment and make recommendations on any changes in policies or procedures to the Parish Council.
- 5.10 To update and review quarterly the Council's Risk Register deciding upon appropriate action to avoid, reduce, control or accept those risks and their consequences.
- 5.11 To consider and recommend appropriate action i.e. changes to policies and procedures to the Parish Council on any reports arising from internal or external auditors.

6. Meeting Schedule

- 6.1 Formal meetings will be held in the months below:

When	Primary Purpose
June	Review future projects
September	Consider cost and source of funds for future projects.
October	To review future project list for approval at Council Meeting. Review insurance provision.
November	Precept, budget planning and forecasting for approval at Council Meeting in December
March	End of Financial Year review and preparation of accounts. Review Committee Terms of Reference