

Terms of Reference

Finance & Governance Committee (F&G)

1. Purpose

The Finance & Governance Committee is an executive committee established to oversee the Council's financial management, internal governance, risk management and operational administration. It supports transparency, compliance and effective stewardship of the Council's resources.

2. Legal Basis and Delegation Principles

Statutory functions are conferred on the Council as a corporate body. Formal decisions about the discharge of those functions must therefore be made by Full Council unless they have been lawfully delegated.

This Committee is appointed under section 102 of the Local Government Act 1972. Full Council delegates functions to the Committee under section 101 of that Act only to the extent set out in these Terms of Reference and any related Scheme of Delegation, Standing Orders or Financial Regulations.

- Delegated authority belongs to the Committee collectively and is exercised only by resolution at a properly convened meeting, unless an officer delegation is expressly made.
- No individual councillor, including the Chair or Vice Chair of the Council, the Chair or Vice Chair of the Committee, or any political group leader, may discharge the Council's statutory or legal functions in their own right.
- The Council may not delegate functions that legislation reserves to Full Council. These include, for example, levying or issuing the precept, deciding to borrow money, and adopting or revising the members' Code of Conduct.
- Full Council may at any time exercise a function that has been delegated to a committee, sub-committee or officer, subject to any legal or contractual constraints.
- Any officer delegation must be made to the Proper Officer, Responsible Financial Officer or another named officer, not to an individual councillor. Where the Openness of Local Government Bodies Regulations 2014 require a written record of an officer decision, the record must be made, retained and published in accordance with those Regulations.

3. Membership

- The Committee shall consist of five [5] councillors appointed by Full Council at the Annual Meeting of the Council.
- The Chair and Vice Chair of the Committee shall be elected by the Committee at its first meeting following the Annual Meeting of the Council.
- The Chair and Vice Chair of the Council shall have the rights provided by the Council's Standing Orders, including the right to attend, take part in proceedings and be counted towards the quorum even where they are not appointed members of the Committee. They shall not be counted as part of the appointed membership unless separately appointed by Full Council.
- All participation is subject to the Council's Code of Conduct, Standing Orders and any requirements relating to declarations of interest.
- If a councillor resigns from the Committee or Council during the year, a replacement councillor shall be appointed at the next appropriate Full Council meeting at which an agenda item can be published for that purpose.

4. Quorum

- The quorum shall be one third of the total membership of the Council or a minimum of four councillors, whichever is greater, subject to the Council's Standing Orders.
- The Chair and Vice Chair of the Council shall be counted towards the quorum where Standing Orders provide that they may do so, even if they are not separately appointed members of the Committee.
- No business may be transacted unless the meeting is quorate.

5. Meetings

- The Committee shall meet at least four times a year.
- Meetings shall be called in accordance with the Council's Standing Orders and applicable legislation.
- Agendas and minutes shall be published in accordance with Standing Orders and relevant regulations.
- Members shall declare interests on agenda items in accordance with the Code of Conduct adopted by Chigwell Parish Council.
- The public and press may be excluded from the meeting by resolution of the Committee where the public interest in exclusion outweighs the public interest in allowing them to remain. Where it is known in advance that exclusion is likely, this shall be indicated on the agenda.
- Draft minutes shall be published on the Council's website as soon as reasonably practicable after the meeting and, in any event, within 10 working days. Draft minutes shall be replaced by approved minutes once approved by the Committee.

6. Voting and Participation

- Voting rights shall be governed by the Council's Standing Orders and these Terms of Reference.
- Appointed members of the Committee may vote. The Chair and Vice Chair of the Council may vote only where Standing Orders give them that right for the meeting in question.
- Other councillors who attend but are not members of the Committee, and who do not have ex officio rights under Standing Orders, may attend as members of the public and may speak only during any public participation session or where Standing Orders otherwise permit. They may not vote.
- Members of the public may attend and may speak only during public participation or where otherwise permitted by Standing Orders.
- In the case of an equal vote, the councillor presiding at that meeting shall have a second or casting vote where permitted by legislation and Standing Orders.

7. Areas of Responsibility

A. Finance

- Prepare the draft annual budget and make recommendations to Full Council on the budget and precept. The final decision on the budget and precept is reserved to Full Council.
- Monitor financial performance, expenditure, income, reserves, earmarked reserves and budget variances.
- Review and recommend updates to Financial Regulations and finance-related policies.
- Oversee internal audit, external audit and any follow-up action plans.

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- Approve contracts, tenders, grants or expenditure only where authority has been delegated by Full Council and the decision is within approved budgets, Financial Regulations, Standing Orders and any procurement requirements.
- Consider borrowing, leases, major capital commitments and other matters with significant financial implications and make recommendations to Full Council where the decision is reserved or outside delegated limits.

B. Governance, Risk and Compliance

- Review and make recommendations to Full Council on Standing Orders, Financial Regulations, the Scheme of Delegation, committee Terms of Reference and other constitutional documents.
- Review and recommend amendments to Council policies, except where Full Council has expressly delegated approval of a policy to this Committee.
- Monitor the Council's risk register, insurance arrangements, governance action plans and compliance with statutory and regulatory requirements.
- Oversee arrangements for transparency, records management, data protection, information governance and publication requirements, where not reserved to Full Council or delegated to an officer.

C. Operational Administration and Personnel

- Oversee operational administration matters assigned to the Committee by Full Council.
- Consider staffing, employment or HR-related matters only where Full Council, Standing Orders or an adopted staffing policy expressly places those matters within this Committee's remit.
- Where confidential staffing, commercial or legal matters are considered, the Committee shall apply the statutory rules on exclusion of the public and press and shall maintain confidentiality.

8. Limits of Authority

Subject to the limitations below, the Committee has delegated authority from Full Council to discharge functions within its areas of responsibility.

Delegated authority includes

- making decisions within approved budgets and within the limits set by Financial Regulations and Standing Orders;
- approving procurement decisions, contract awards and expenditure within delegated limits;
- approving implementation actions needed to give effect to policies, budgets or projects already approved by Full Council;
- authorising the Clerk, Responsible Financial Officer or another named officer to carry out actions within an approved budget, policy or project, provided the delegation is recorded clearly; and
- making recommendations to Full Council on matters that exceed delegated authority or are reserved by law, Standing Orders, Financial Regulations or Council resolution.

Matters reserved to Full Council

- levying or issuing the precept;
- approving the annual budget unless Full Council has expressly adopted a different lawful process;
- deciding to borrow money or apply for borrowing approval;
- adopting or revising the members' Code of Conduct;

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- adopting or revising Standing Orders, Financial Regulations, the Scheme of Delegation or committee Terms of Reference, except for recommendations made by this Committee;
- appointing committees, setting committee membership and confirming committee Terms of Reference at the Annual Meeting of the Council or other Full Council meeting; and
- any other matter reserved to Full Council by statute, Standing Orders, Financial Regulations or Council resolution.

9. Budget and Finance

- The Committee, in conjunction with the Responsible Financial Officer, shall prepare and submit draft budgets covering finance, governance, risk and relevant operational administration for inclusion in the Council's annual budgeting process.
- The Committee shall not set the precept. It shall consider the draft budget and precept requirement and make recommendations to Full Council.

10. Reporting

- The Committee shall report to Full Council through its minutes and by presenting recommendations where a Full Council decision is required.
- Where the Committee does not meet before the next Full Council meeting, draft minutes may be presented to Full Council for information.
- Recommendations to Full Council shall identify the decision requested, the reason for the recommendation, any financial implications and, where relevant, whether the matter is reserved to Full Council.

11. Best Value

The Committee shall have regard to the principles of Best Value when considering matters within its remit and, where applicable, when making recommendations or exercising delegated authority.

Reference: Best Value Statutory Guidance as published by the Department for Communities and Local Government.

12. Review

- These Terms of Reference shall be reviewed annually at the Annual Meeting of the Parish Council or sooner if required.
- Considered and approved by the Council at its Annual Meeting on 21 May 2026.
- Review Date: May 2027.