

Dalton with Newton Town Council
Finance Committee Terms of Reference

1. Committee Name

Finance Committee

2. Purpose / Objective

The Finance Committee is established to provide oversight and guidance to the Town Council on matters related to the financial management, budgeting, and long-term financial planning of the town. The committee ensures that the town's financial resources are managed responsibly and transparently to meet current and future needs.

3. Membership and Composition

- **Chairperson:** Elected by committee members
- **Members:** The committee shall consist of 4 members, including:
 - Town Council members with an interest or background in finance, economics, or business management

Ex Officio Members:

- Town Clerk/RFO

Membership selection will be based on:

- Experience and expertise in financial management, accounting, public sector finance, or budgetary planning
- Ability to contribute to sound financial decision-making for the town

4. Roles and Responsibilities

- **Chairperson:** Leads the committee and ensures communication with the Town Council.
- **Members:** Actively participate in meetings, review financial documents, provide expertise, and contribute to financial oversight and strategic planning.

Duties of the Finance Committee:

1. **Budget Oversight:** Review and make recommendations on the annual town budget, including proposed revenues, expenditures, and long-term financial commitments.

2. **Financial Reporting:** Monitor and review financial statements, cash flow, and other relevant reports on a regular basis to ensure financial transparency and accountability.
3. **Policy Recommendations:** Advise the Town Council on financial policies, debt management, and investment strategies.
4. **Capital Planning:** Review and recommend funding for major capital projects, ensuring that all expenditures align with the town's financial strategy and long-term objectives.
5. **Risk Management:** Assess financial risks to the town, including liabilities, pension obligations, and reserve levels, and recommend measures to mitigate those risks.
6. **Audit Liaison:** Liaise with external auditors and review audit reports, ensuring the Town Council is informed of any financial discrepancies or areas for improvement.
7. **Grants and External Funding:** Assist in the identification and evaluation of external funding opportunities, such as grants or government funding, and ensure compliance with funding requirements.

5. Meetings

- **Frequency:** The committee will meet quarterly, with additional meetings scheduled as needed to address specific financial concerns or budget deadlines.
- **Quorum:** A quorum will consist of 3 of members. Decisions will require a majority vote of those present.
- **Agenda:** The agenda will be set by the Clerk/RFO and distributed to members at least 3 days prior to the meeting. Members may propose agenda items for inclusion.
- **Minutes:** Minutes will be recorded by the Clerk/RFO and circulated to all members and the Town Council.

6. Reporting

The committee will report to the Town Council regularly, at least quarterly or as required. Reports will include:

- Financial health of the town, including updates on budget performance

- Recommendations on financial policies, budget adjustments, and capital expenditures
- Findings from audits or financial assessments
- Any financial risks or opportunities identified by the committee

7. Decision-Making and Authority

The Finance Committee serves in an advisory capacity to the Town Council. It does not have decision-making authority on its own but makes recommendations to the Town Council for approval. The Town Council must approve all budgetary decisions, capital projects, and financial policies before implementation.

8. Confidentiality

Members of the committee are expected to maintain confidentiality regarding sensitive financial matters. Any breach of confidentiality may result in removal from the committee.

9. Code of Conduct

Members of the committee must adhere to the Town Council's code of conduct, including:

- Acting in the best interest of the town and its residents
- Declaring any conflicts of interest that may arise, especially in relation to contracts, financial dealings, or investments
- Treating fellow committee members, town staff, and residents with respect

10. Review and Amendment of Terms of Reference

These Terms of Reference will be reviewed annually to ensure they remain relevant to the committee's objectives and the town's financial needs. Amendments may be made by the Town Council as necessary to reflect changes in financial priorities or governance.

Signed:

Date:

Key Considerations for the Finance Committee:

- **Financial Expertise:** The inclusion of members with financial backgrounds ensures informed decision-making and oversight.
- **Transparency:** Regular financial reporting helps maintain trust with the Town Council and the community.
- **Long-Term Planning:** Capital planning and risk management are critical to the town's fiscal health, particularly for large projects and future obligations