



## **FINANCE & RESOURCES COMMITTEE**

### **TERMS OF REFERENCE**

#### **PURPOSE**

The purpose of the Finance and Resources Committee is to assist the College in its aim to raise standards of performance in all areas of its service by ensuring that effective and efficient systems for financial control, resource management, including human resource and overseeing the management of key financial risk. The Finance and Resources Committee will be able to provide evidence to the Corporation:

- That policies and procedures for financial planning, human resource and other resource management are in place, understood, supported, implemented and reviewed by staff;
- That staff set achievement targets and standards of performance for their work and that these are monitored, reviewed and appraised annually to ensure that improvements are being made and action taken when this is not the case;
- That regular financial reports are given to the Corporation;
- Of the reliability of information presented and the veracity of judgements made regarding the College's proper financial planning and control and resource management.

Evidence of the above will influence the formulation of and be recorded in the College's Strategic Plan, Annual Operating Programme, Annual Self Assessment, and Annual Report.

#### **MEMBERSHIP**

- i. The Finance and Resources Committee shall be appointed by the Corporation and consist of a minimum of:
  - Six Corporation Members including the Principal/Chief Executive where she or he is a member of the Corporation.

- One Co-opted external member with senior level financial, human resources or resources experience.
- ii. A quorum shall be three Corporation members, and for a meeting to be quorate, there must always be a majority of Business, Local Authority, Local Body and Co-opted members present.
  - iii. The Chair of the Committee shall be appointed by the Corporation. The Corporation shall determine which categories of member may act as Chair at meetings of the Committee in the absence of the appointed Chair. Members present will decide from these categories that will act as Chair of the Committee at any meeting, which the appointed Chair is unable to attend.
  - iv. The Clerk to the Corporation shall act a Clerk to the Committee.

## **FREQUENCY OF MEETINGS**

- i. Meetings shall be held not less than three times a year.
- ii. Agenda and papers for meetings are made available to Committee members a week prior to the scheduled meetings.

## **AUTHORITY**

- i. The Finance and Resources Committee is authorised to seek any information it requires from any Corporation member, Committee of the Corporation or employee of the College and all Corporation members and employees of the College are directed to co-operate with any request made by the Committee.
- ii. The Finance and Resources Committee makes recommendations to the Corporation on financial, human resource and other resource matters except where the Committee has specific delegated authority from the Corporation to take decisions (see below).
- iii. The Finance and Resources Committee is authorised by the Corporation to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary. (Such persons shall not have a vote.)

## **TASKS**

The tasks of the Committee are:

- To make recommendations to the Corporation on:

- The College's annual budgetary policy
  - The annual budget
  - The annual financial forecast
  - The end of year accounts
  - Capital expenditure policy
  - Major variations of expenditure
  - The College accommodation strategy
  - The College's financial regulations
  - Fulfilling its statutory obligations, including ensuring the solvency of the College
  - Borrowing and investment policies
  - The College's tuition fees policy
  - The College's outward collaborative provision (OCP) contracts
  - The College's Risk Management Policy
- To review the management accounts on a regularly basis, to monitor progress against budget, and to advise the Corporation whether the Committee is satisfied with the overall performance;
  - To review arrangements for securing value for money, solvency and safeguarding of assets;
  - To monitor and evaluate the College's policy to diversify sources of income;
  - To monitor and evaluate the effectiveness of the College's management information system in providing effective data;
  - To receive regular reports on the College's achievement of funding and other financial targets;
  - To receive reports on accommodation, environmental, human resource, health and safety and other resource-focussed issues, referring issues on to the Corporation with recommendations (as appropriate) as deemed necessary;
  - To advise on major financial and business decisions, including the risks inherent within them and annually review the College's approach of its processes and procedures to risk management for recommendation to the Corporation;
  - In conjunction with the Principal/Chief Executive and senior colleagues, following a common format for all the Corporation's Committees, to prepare, implement and review an annual work plan for the Finance and Resources Committee. Within the context of strategic priorities agreed by the Corporation this work plan focuses on identifying, monitoring and reviewing the Committee's annual targets and performance measures;
  - To review the Committee's Terms of Reference as part of the development of their annual work plan;
  - To assess the Committee's performance at the end of each academic year.

- To review and evaluate specific strategic priorities and targets related to the Committee's role as outlined in the Strategic Plan and Annual Programme;
- To monitor the work of the Principal/Chief Executive, as the College's Chief Accounting Officer, in fulfilling her/his statutory responsibilities as outlined in the LSC Financial Memorandum and to make reports/recommendations to the Corporation as appropriate; and
- To receive, monitor, review and recommend to the Corporation (as appropriate) the College's OCP and any other franchising activities.