

THE CORPORATION OF SOUTH LEICESTERSHIRE COLLEGE

FINANCE COMMITTEE

TERMS OF REFERENCE

1. INTRODUCTION

- 1.1 The Terms of Reference and Standing Orders of the Finance Committee may be varied at any time by the Corporation.
- 1.2 The Terms of Reference and Standing Orders of the Finance Committee are subject at all times to the provisions of the Instrument and Articles of Government of the Corporation.
- 1.3 Members are required to make known if they or a person with whom they have a close connection (e.g. spouse/partner or child) has a personal interest (be it financial or otherwise) in a matter before the Committee.
- 1.4 The Finance Committee is a sub-committee of the South Leicestershire College Corporation and as such its actions are open to scrutiny and approval by the full Corporation. The delegation of functions does not absolve the Corporation from accountability for the conduct and decisions of its committees. The Corporation remains responsible for the proper conduct of the College for undertaking its duties under the Instrument and Articles of Government and for complying with the other legislation to which it is subject.

2. TERMS OF REFERENCE OF THE FINANCE COMMITTEE

The Committee shall be responsible for:

2.1 General

- 2.1.1 Carrying out detailed and regular review and monitoring of the financial affairs of the College and making any necessary financial recommendations to the Corporation.
- 2.1.2 Producing an annual report of the work of the Committee.
- 2.1.3 Such matters as the Corporation may from time to time remit

2.2 Monitoring and Review

- 2.2.1 Reviewing and recommending for endorsement financial and accounting policies.
- 2.2.1 Reviewing and recommending for endorsement arrangements for securing value for money, investment, solvency and the safeguarding of assets.
- 2.2.2 Reviewing the monthly Management Accounts
- 2.2.3 Reviewing and recommending for endorsement forecasts and recommending any action to the Corporation on major variations.

2.3 Budgets & Fees

- 2.3.1 Reviewing and recommending for endorsement to the Corporation an income and expenditure budget for each financial year, and recommending appropriate performance indicators for monitoring purposes.
- 2.3.2 Ensuring that the budget and the financial transactions support the Strategic Plan before agreeing and making recommendations to the Corporation.
- 2.3.3 Agreeing and making recommendations to the Corporation regarding annual student tuition fees and subsidy measures.

2.4 Capital Expenditure

- 2.4.1 Agreeing and making recommendations to the Corporation on annual programmes of capital expenditure, in the light of budget review and subsequent forecasts.
- 2.4.2 Reviewing and recommending for endorsement specific capital expenditure proposals within budget limits set by the Corporation, detailed in the College's financial procedures, and reporting to the Corporation.
- 2.4.3 Making recommendations to the Corporation regarding appropriate action, including methods of funding, where major spending is envisaged.
- 2.4.4 Regularly monitoring the financial provision of projects approved by the Corporation.
- 2.4.5 To supervise and co-ordinate at Governor level the arrangements for approving, reviewing and monitoring for major capital expenditure projects over £100,000.

2.5 Management Information

- 2.5.1 Reviewing the effective development and implementation of management information systems and the timeliness and accuracy of information produced to meet SFA requirements and internal needs

2.6 Risk Management

- 2.6.1 Regularly monitoring the College Risk Management Action Plan approved by the Corporation and recommend any action needed to the Corporation.

2.7 Senior Post-holder Appointments

- 2.7.1 When appointing a Director of Finance, the Selection Panel should include at least one member of the Finance Committee, recommended by the Finance Committee.

3. MEMBERSHIP OF THE FINANCE COMMITTEE

- 3.2 The Committee will be comprised of a minimum of five members, including the Chair of the Corporation, the Principal and three other members of the Corporation, elected by the Corporation.
- 3.3 Members of the Audit Committee are excluded from being members of the Finance Committee.
- 3.4 In addition, the Corporation may, from time to time, co-opt up to two persons to represent the interests of the community and who are not members of the Corporation. The persons co-opted to serve on the Committee will be persons of established standing, reputation and integrity in the community that the College serves but who are independent of the College. Such members will be free from any business or other relationship with the College that might compromise the exercise of their independent judgement.
- 3.5 The Committee may invite senior post-holders to attend, generally the Director of Finance, and other College members of staff where it is considered necessary for matters for which they have financial responsibility.

4. TERM OF OFFICE

- 4.1 The term of office of members of the Finance Committee will be four years.
- 4.2 Members standing down may offer themselves for re-election.

5. APPOINTMENT OF CHAIR & VICE CHAIR

- 5.1 The members of the Committee will appoint a Chair and Vice Chair from amongst their number, subject to their being members of the Corporation, normally the period of office will commence at the first meeting of the academic session.
- 5.2 The Chair shall hold office for four years.
- 5.3 If the Chair is absent from any meeting of the Committee the Vice Chair of the Committee shall act as Chair for that meeting.
- 5.5 The Chair and/or Vice Chair may at any time resign their respective office by notice in writing to the Clerk to the Corporation.
- 5.6 The Chair and/or Vice Chair retiring at the end of their respective term of office shall be eligible for reappointment if continuing as a member of the Finance Committee.

6. QUORUM

- 6.1 Meetings of the Committee shall be quorate if three or more of the Committee membership are present, provided that at least two are members of the Corporation.
- 6.2 If the number of members of the Committee assembled for a meeting of the Committee does not constitute a quorum thereof, the meeting shall not be held.
If in the course of a meeting of the Committee the number of members present ceases to constitute a quorum, the meeting shall be terminated forthwith.
- 6.3 If for the lack of a quorum a meeting cannot be held or, as the case may be, cannot continue, the Chair shall, if he or she thinks fit, cause a special meeting to be summoned as soon as practicable.

7. FREQUENCY OF MEETINGS OF THE FINANCE COMMITTEE

- 7.1 Meetings of the Finance Committee will be held as and when appropriate in accordance with the Corporation and Committees annual calendar of meetings, and as a minimum, one meeting per term.
- 7.2 All meetings of the Finance Committee will be summoned by the Clerk who shall send to the members written notice of the meeting and a copy of the agenda at least five working days in advance of the meeting.
- 7.3 A special meeting of the Finance Committee may be called by the Chair and if necessary the arrangements detailed in paragraph 7.2 above may be varied.

8 PROCEEDINGS OF MEETINGS OF THE FINANCE COMMITTEE

- 8.2 Every question to be decided at a meeting of the Finance Committee shall be determined by a majority of the votes of the members present and voting on the question. Where there is an equal division of votes the Chair of the meeting shall have a second or casting vote.
- 8.2. No resolution of the Finance Committee may be rescinded or varied at a subsequent meeting of the Committee unless consideration of the rescission or variation is a specific item of business on the agenda for that meeting.

9 DELEGATION

- 9.1 The Chair of the Committee shall have the authority to act on behalf of the Committee when it so authorises and the Chair shall report back to the Committee on any such action at its next meeting.

10 MINUTES OF THE MEETINGS OF THE FINANCE COMMITTEE

- 10.1 The proceedings of meetings of the Finance Committee will be recorded in the minutes prepared by the Clerk to the Committee.
- 10.2 Minutes of meetings (regardless of whether or not they have been confirmed as being a true record) will be presented to the subsequent meeting of the Corporation.
- 10.3 Separate minutes will be taken of any issues which are regarded by the Finance Committee to be confidential and as such the subsequent publication will be restricted.
- 10.4 Minutes of the meetings, with the exception of those regarded as confidential in accordance with 10.3 above, will be available in the office of the Clerk for inspection by any members of the public during the published office hours and published on the College website for a minimum period of twelve months.

11 OPENNESS AND TRANSPARENCY

- 11.1 The Terms of Reference of the Finance Committee and the advice of the Committee to the Corporation will be available in the office of the Clerk for inspection by any members of the public during the published office hours and published on the College website.

12. CLERK TO THE FINANCE COMMITTEE

12.1 The Clerk to the Finance Committee will be the Clerk to the Corporation.

13. ACCESS TO MEETINGS OF THE FINANCE COMMITTEE

13.1 Access to meetings of the Finance Committee will be limited to members of the Finance Committee, the Clerk, and any persons expressly invited to attend all or part of a meeting by the members of the Committee.

Hari Khurmi

Reviewed: June 2011