



Terms of Reference Finance & General Purposes Committee



Approved by the Corporation 28 June 2022

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1. Authority

1.1. The Committee is established to support the Corporation in fulfilling its responsibilities in respect of the following: -

1.1.1. Paragraph 3 (1) of the Articles of Government

(1) 'The Corporation shall be responsible for the following functions:

[...]

(d) the effective and efficient use of resources, the solvency of the institution and the Corporation and safeguarding their assets;

(e) approving annual estimates of income and expenditure; and

(g) setting a framework for the pay and conditions of service of all other¹ staff.'

1.1.2. Paragraph 14 of the Articles of Government

'After consultation with the staff, the Corporation shall make rules relating to their conduct.'

1.1.3. Paragraph 16 of the Articles of Government

'After consultation with staff, the Corporation shall make rules setting out:

(a) grievance procedures for all staff;

(b) procedures for the suspension of all staff; and

(c) disciplinary and dismissal procedures for

(i) senior post-holders, and

(ii) staff other than senior post holders'

1.1.4. Paragraph 19 of the Articles of Government:

'The Corporation shall set the policy by which the tuition and other fees payable to it are determined, subject to any terms and conditions attached to grants, loans or other payments paid or made by the Funding Agency.'

1.2. The Governing Body is responsible for ensuring the solvency of the College and shall inform the ESFA of any transactions that could jeopardise financial viability. The Governing Body is responsible for achieving value for money in all transactions involving Public Funds.

1.3. The Governing Body shall appoint an accounting officer with an appropriate separation of duties between executive and non-executive roles and responsibilities. The expectation is that the accounting officer will be the Principal of the College. The Governing Body shall inform the ESFA in writing of the name and position of

the accounting officer and if the accounting officer is absent from the College for an extended period as determined by the College, the name of the person who will discharge the accounting officer's responsibilities during the absence.

- 1.4. The College shall inform the ESFA in writing of the vacating or filling of the positions of chair of the Governing Body and Principal and the Clerk.
- 1.5. The College must notify the ESFA in writing if there is a change in its Corporation name.
- 1.6. The Secretary of State for Education is the Charitable Regulator for further education college corporations. The Governing Body of the College is responsible for ensuring it operates in line with its exempt charitable status.

2. Delegated Authority

- 2.1. The Corporation's standing orders have delegated the following matters to the Finance and General Purposes Committee: -
 - 2.1.1. To approve the College's Fees Policies.
 - 2.1.2. To review annually and agree the Committee's Key Performance Indicators for the Board.
 - 2.1.3. To approve and monitor the Governors' Expenses policy and procedure.
 - 2.1.4. To review and approve investment and borrowing policies, including treasury management.
 - 2.1.5. If applicable, to approve the Students' Union Budget as submitted by the Students' Union.
 - 2.1.6. To review and approve the College's Financial Regulations on a three yearly cycle.
 - 2.1.7. To receive reports in respect of the financial status and progress of 'Small Capital Projects' as defined within the College Financial Regulations.
 - 2.1.8. To review and monitor the performance of all 'Major Capital Projects' as defined within the College's Financial Regulations and to report on such matters to the Board.
 - 2.1.9. To approve, review and monitor, as appropriate, matters such as: -
 - accounting methods used by the College
 - the budgeting process
 - bids for capital equipment and minor works as defined in the College's Financial Memorandum
 - financing of capital projects (subject to above)
 - the internal controls of the College in conjunction with the Audit Committee
 - any delegated actions by the Principal or Chair of Corporation
 - any decisions or approvals required by the College's Financial
 - Regulations including any waiver of Financial Regulations – the latter being reported to the Audit Committee and
 - the results of internal and external benchmarking exercises, cost base reviews and "value for money" exercises

The Board shall remain responsible for the approval of the annual estimates of income and expenditure, ensuring the solvency of the Corporation and safeguarding its assets.

3. Membership and Attendance

- 3.1. The members of the Finance and General Purposes Committee shall comprise :

- Four external governors
- The CEO/Principal

3.2. The Corporation may approve the appointment of a co-opted member of the Committee who has relevant skills, knowledge and experience.

3.3. In attendance: Clerk to the Corporation

3.4. Appropriate members of the staff of the College will be invited to attend meetings of the Committee to present reports and provide information. The arrangements will be determined by the Chief Executive in the light of the issues to be addressed.

3.5. If wished, the Committee may ask members of staff of the College to withdraw from a meeting.

3.6. The Committee is authorised by the Corporation to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee of the College and all employees of the College are directed to co-operate with any request made by the Committee.

4. External Advice

4.1. The Finance and General Purposes 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. The Corporation may also require experts to be present and to advise.

5. Quorum

5.1. The quorum for each meeting shall be three members.

6. Appointment of the Chair of the Committee

6.1. The Chair of the Committee shall be appointed by the Corporation from its external governors only. The Chair shall normally occupy the role of Chair of the Committee for no longer than a 4 year term.

6.2. The Chair of the Finance and General Purposes Committee shall not normally also hold the office of Chair of the Corporation.

7. Meeting cycle

7.1. The Committee shall meet at least once in each term. There shall be an additional meeting early in the autumn term, subject to their being sufficient matters of business to transact at the meeting.

8. Declarations of interest

8.1. Member of the Committee shall declare any conflicts of interest as required by the Standing Orders of the Corporation.

9. Review of Terms of Reference and Cycle of Business

9.1. The Committee shall review its terms of reference and cycle of business every two years and make an appropriate recommendation to the Corporation.

10. Terms of Reference

10.1. The duties of the Finance and General Purposes Committee are:

1. To receive reports on the financial position of the College and to provide timely and comprehensive advice, information, and recommendations to enable the Corporation to ensure its solvency and the safeguarding of its assets. This will include review of core instruments of financial management and reporting such as detailed monthly management accounts, key performance indicators, capital project monitoring reports and other reports as may be required.
2. To review and to make recommendations to the Corporation regarding the annual estimates of income and expenditure together with the relevant balance sheet and cash flow forecast prior to the commencement of the financial year.
3. To recommend the College's 2 year financial forecast to the Corporation and to the funding agencies for the forthcoming year.
4. To regularly monitor the College's Medium Term (3 year) cash flow forecast.
5. To review, monitor and make recommendations in relation to the College's five-year finance strategy.
6. To the extent that such matters, at the discretion of the Corporation have not been reserved to the scrutiny of another specialist sub-committee or group, to review, monitor and make recommendations in respect of the College's estates strategy.
7. To review periodically and to receive an annual report on the levels of travel and subsistence, overseas travel and any College credit card expenditure.
8. To provide strategic oversight seeking to ensure that the College operates within the financial covenants associated with any loans
9. To monitor and seek to ensure at all times the effective and efficient use of resources within the institution and to make appropriate recommendations to the Corporation
10. To make recommendations to the Corporation on all major policy or strategic issues with financial implications.
11. To make recommendations to the Corporation wherever secured and unsecured borrowing or loans are required for short, or long-term purposes.
12. Within the framework and policies approved by the Corporation: -
 - a. To advise the Corporation on the ratification and affordability of agreements reached through local and national collective bargaining.
 - b. To review on a continuing basis the Corporation's HR policies and procedures.
 - c. To advise on recruitment, retention and continuing professional development policy.
 - d. To advise on the framework of pay and conditions of service for all staff other than the holders of senior posts.
13. To consider any other matters referred to the Committee by the Corporation.

11. Policy Category

<p>Category [select ONE only]</p>	<ul style="list-style-type: none"><input type="checkbox"/> Business Development, Marketing and Subcontracting<input checked="" type="checkbox"/> Corporation<input type="checkbox"/> Data Protection<input type="checkbox"/> Equality & Diversity<input type="checkbox"/> Estates / Facilities<input type="checkbox"/> Executive Support, Administration and Reception<input type="checkbox"/> Finance<input type="checkbox"/> Health and Safety<input type="checkbox"/> International<input type="checkbox"/> IT Services<input type="checkbox"/> Management Information Systems<input type="checkbox"/> People and Organisational Development<input type="checkbox"/> Quality<input type="checkbox"/> Student Services & Safeguarding
<p>Audience [select ALL that apply]</p>	<ul style="list-style-type: none"><input type="checkbox"/> Employees<input checked="" type="checkbox"/> Governors<input type="checkbox"/> Learners<input type="checkbox"/> Partners<input type="checkbox"/> Suppliers