

FINANCE AND PERSONNEL COMMITTEE

1 Role of the Finance and Personnel Committee

The role of the Finance and Personnel Committee is to provide the Corporation with regular statements of advice regarding the financial solvency, financial performance, the accuracy and reliability of financial statements, estates management and human resources. It provides this role in order to hold the Executive Team and where necessary individual senior post holders personally to account for their performance.

The Corporation may add to the terms of reference set out below, however it must not add terms that:

- require members of the Finance and Personnel Committee to offer professional advice to the Corporation outside their role as Governors; or
- cause the Committee to lose its primary focus on the adequacy and effectiveness of the College's financial performance, the accuracy and reliability of financial statements, estates management and human resources issues.

2 Terms of Reference

The terms of reference of the Finance and Personnel Committee will be published on the College's website.

2.1 The remit of the Finance and Personnel Committee is to:

- i) consider and make recommendations to the Corporation on:
 - annual budget proposals and financial projections;
 - capital expenditure plans;
 - major variations of income and expenditure;
 - approving bank loans of a term of more than one year whether on a secured or unsecured basis;
- ii) consider all aspects of accounting and disclosure in the financial statements including those raised in the management letter of the financial statements/regularity auditor and to recommend to the Corporation Board for approval the statutory accounts together with the letter of representation of the financial statements/regularity auditor;

(For clarity, it is the remit of the Audit Committee to recommend the Management Letter of the financial statements/regularity auditor and the *Statement of Corporate Governance and Internal Control* within the financial statements, including assurance that the College has spent its funds with propriety and regularity, to the Corporation for approval.)
- iii) regularly monitor virement between budget heads and monitor the income and expenditure accounts and year end projections to ensure that the expected financial out turn position is achieved;
- iv) determine the College's bankers;
- v) approve the College's Treasury Management Policy which includes the College's statement on borrowing;

- vi) annually review and determine the College's Student Fees policy and other related charges;
- vii) regularly review and approve the College's Financial Regulations;
- viii) approve contract awards as per the thresholds set out in the Financial Regulations;
- ix) annually approve write-off of debts above the threshold set out in the Financial Regulations;
- x) annually review the Committee's performance and arrangements for ensuring the financial solvency of the College and the safeguarding of the Corporation's assets;
- xi) set the framework of pay and conditions of staff below the level of senior post holder;
- xii) determine and revise, where necessary, personnel policies and procedures relating to:
 - grievance;
 - discipline;
 - retraining, redeployment and redundancy;
 - absence management
 - capability;
 - safer recruitment
 - the range and levels of travel and subsistence allowances; and
 - such other policies and procedures that the Committee deems necessary from time to time;
- xiii) receive reports on the effectiveness of the College's Accommodation strategy and, where relevant, on related building and improvement projects;

STANDING ORDERS

3 Composition of Committee and Quorum for meetings

- 3.1 The Committee shall consist of six Governors, including the Principal.
- 3.2 The Chair of the Finance and Personnel Committee shall be ineligible to be the Chair of the Corporation Board.
- 3.3 Members of the Audit Committee are ineligible to serve on the Finance and Personnel Committee.
- 3.4 Membership and the quorum of the Committee shall be determined by the Corporation, usually annually at the Corporation's last meeting of the academic year.
- 3.5 Meetings of the Committee shall be quorate if three or more members are present including the Chair or Vice Chair.

3.6 If the number of Committee members assembled for a meeting of the Committee does not constitute a quorum, the meeting will 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 will be suspended or terminated immediately.

3.7 If a meeting is inquorate or, as the case may be, cannot continue, the Chair may require that a special meeting should be held.

4 Frequency of Meetings

4.1 The Committee shall meet at least once per term with meetings scheduled to coincide with the annual reporting, and the curriculum and business planning cycle of the Corporation.

4.2 All meetings shall be arranged by the Clerk to the Corporation. Governors will receive written notice of the meeting and a copy of the agenda at least seven clear calendar days before the meeting.

4.3 A special meeting of the Committee may be called at any time by the Chair of the Committee or at the request in writing of any three Governors of the Committee. Where the Chair of the Committee agrees that there are matters demanding urgent consideration, the written notice covering the meeting may be less than seven days.

5 Attendance at Meetings

5.1 The Clerk to the Corporation shall attend all meetings of the Committee as Clerk to the Committee.

5.2 Governors who are not members of the Committee may attend and speak at meetings but will not be eligible to vote.

5.3 The Deputy Principals (as a Senior Post Holders) will routinely attend Committee meetings and will receive papers.

5.4 At the request of the Committee, appropriate College managers shall be invited to attend meetings in order to provide information and to present reports.

5.5 Specialist advisers may attend meetings or be asked to provide information if required.

6 Reporting and Decision-making Procedures

6.1 The Chair of the Committee will provide a verbal report summarising Committee business to the next scheduled meeting of the Corporation.

6.2 In keeping with the Committee's terms of reference, all recommendations for approval by the Corporation must be presented with appropriate documentation including a comprehensive financial statement detailing the impact on the College's planned outturn financial position.

6.3 If new information comes to light after a meeting of the Committee, and it is reasonable to suppose that this information could have an impact on the decision-making of the Corporation, the Chair of the Committee – or, in his/her absence, another member of the Committee – shall present this new

information to the Corporation in addition to the Committee's resolution.

- 6.4 The Chair of the Committee will present an annual report of Committee business to the December meeting of the Corporation. The annual report will include the Committee's assessment of its performance against the requirements set out in its terms of reference.
- 6.5 After discussion with members of the Committee, the Chair shall present a the restricted section of the annual report to the meeting of the Governance, Performance & Search Committee held in February/March each year commenting on:
- Performance issues concerning the Executive Team or individual Senior Post Holders.
 - The effectiveness of financial management operating in the College.
 - Performance as set out in the annual Financial Statements against the planned budget.
 - Personnel and staff issues of material concern that need further consideration.

7 Authority

- 7.1 The Committee is authorised by the Corporation to investigate any activity within its terms of reference and to seek any information it requires for the effective discharge of its duties. It shall be granted rights of access to obtain all information it considers necessary from any Governor of the Corporation or employee of the College. All Governors and employees of the College are directed to co-operate with any reasonable request made by the Committee.
- 7.2 The Committee is authorised to ask the Principal and/or the Clerk to the Corporation to arrange appropriate independent professional advice and to secure the attendance of outsiders if so required.

8 Conflicts of Interest

- 8.1 Members of the Committee will make a declaration of interest at Committee meetings, as appropriate and in accordance with the Instrument of Government, the Code of Conduct for Corporation Members and the Register of Interests and Confirmation of Eligibility declaration.

9 Proceedings at Meetings

- 9.1 Every question to be decided at a meeting of the 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.
- 9.2 No member of the Committee may vote by proxy or by way of a postal vote.
- 9.3 No resolution of the Committee may be rescinded or varied at a subsequent meeting unless consideration of the rescission is a specific item of business on the agenda for that meeting.

10 Minutes

- 10.1 At every meeting of the Committee the minutes of the last meeting, if agreed to be accurate, shall be signed as a true record by the Chair of the meeting.
- 10.2 The Clerk will generally aim to circulate the draft minutes to Committee members within ten working days of a meeting.

11 Public Access to Meetings

- 11.1 Meetings of the Committee will not be open to persons other than the appointed Committee members, and those persons stipulated in paragraph 5 above.

12 Publication of Minutes and Papers

- 12.1 The agenda, supporting papers of the Committee will remain confidential either until they are reported to the Committee itself.

The minutes, once approved by the Chair of the meeting, will be presented to the next Corporation meeting whether or not they have been approved by a subsequent meeting of the Committee.

The approved, non-confidential minutes will be published on the College's website. All other non-confidential documentation will be available for inspection in the office of the Clerk to the Corporation during normal business hours.

- 12.2 Any minute which provides details of:

i) a named person employed at, or proposed to be employed at, the College;

ii) a named student at, or candidates for admission to, the College;

iii) the Clerk to the Corporation; and

iv) any matter which is commercially sensitive

shall remain confidential.

- 12.3 The approved, non-confidential minutes will be published on the College's website. All other documentation which is non-confidential will be available for inspection in the office of the Clerk to the Corporation during normal business hours.

Finance & Personnel Committee Annual Cycle of Business

Item of Business	Meeting 1 – October	Meeting 2 – December	Meeting 3 – March	Meeting 4 – May	Meeting 5 – July
Management accounts, incl. Learner numbers & funding, Premises report and Business review outcomes	✓	✓	✓	✓	✓
Accommodation strategy, related building and improvement projects	As appropriate	As appropriate	As appropriate	As appropriate	As appropriate
Draft revenue and capital budget 2013/14, incl. Outline two-year financial forecast					✓
Financial statements & Letter of representation		✓			
Approval of Student fees policy (annual)			✓		
Staff pay award			✓		
Student applications				✓	✓
Business partner contracts	Contract variations as needed	Performance against contract values / Contract variations + Next year Proposal			
Approval of Subcontracting policy (3 yearly)			✓ (3 yearly)		
Approval of Bad debt write-off (annual)	✓				
Business development opportunities	As appropriate	As appropriate	As appropriate	As appropriate	As appropriate
HR and Workforce Development Report (3x), including approval of HR policies and procedures		✓ (Safer Recruitment Policy - annual)	✓		✓
Approval of Financial regulations (periodic)	As appropriate	As appropriate	As appropriate	As appropriate	As appropriate
Approval of Treasury management policy, incl. borrowing statement (periodic)	As appropriate	As appropriate	As appropriate	As appropriate	As appropriate
Bank loans	As appropriate	As appropriate	As appropriate	As appropriate	As appropriate
Approval of College bankers (periodic)	As appropriate	As appropriate	As appropriate	As appropriate	As appropriate
College's financial health (SFA)		✓			
Committee's annual report, self assessment, terms of reference review		✓			
Miscellaneous: Travel & subsistence rates; bank tender; procurement of service contracts (e.g. cleaning)	As appropriate	As appropriate	As appropriate	As appropriate	As appropriate