



Version 2 dated 10th February 2020
Last Version dated 6th August 2019
Next Review July 2021

FINANCE COMMITTEE

Terms of Reference

This Finance Committee (the “**Committee**”) mandate has been adopted by the Board of RNN Group (the “**Corporation**”), and the Committee, established under Clause 4 of the Articles of Government.

The scope of the Committee’s work includes working to continuously improve the effectiveness of the Corporation’s approach to financial monitoring and oversight:

1. COMMITTEE COMPOSTION

1.1 Membership

1.1.1 The Committee shall consist of up to five ~~three~~ members and shall be appointed by the Corporation. This number may include persons who are not Governors who have been approved by the Corporation (to be known as Co-opted External Members).

1.1.2 At least one member of the Committee must have relevant, financial knowledge, experience and practice in a senior position.

1.1.3 Appointments and membership of the committee shall be reviewed on an annual basis by the Corporation.

1.2 Chair

1.2.1 The Corporation shall appoint the Committee Chair. In the absence of the Chair, the remaining members present shall elect one of themselves to chair the meeting.

1.2.2 The Chair shall serve for a term of one year and can be eligible for reappointment within the overall conditions of their membership of the Corporation.

1.2.3 Co-opted External Members shall not be appointed Chair, except in exceptional circumstances.

- 1.2.4 The role of the Chair is to facilitate the functioning of the Committee and to maintain and enhance the quality of corporate governance of the Committee. The Chair's key responsibilities are to manage the affairs of the Committee and committee governance through effective committee meetings in order that the Committee can fulfil its obligations and responsibilities.

3. COMMITTEE PROCEDURES

3.1 Secretary

The Clerk to the Corporation or their nominee shall act as the Secretary of the Committee.

3.2 Frequency of Meetings

The Committee shall meet at least four times a year, or more frequently as circumstances dictate.

3.3 Quorum

The quorum necessary for the transaction of business shall be a simple majority of the membership in place.

3.4 Notice of Meetings

- 3.4.1 Meetings of the Committee shall be convened by the Secretary of the Committee.
- 3.4.2 The agenda for each meeting shall be approved by the Chair
- 3.4.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Member of the Committee, and any person required to attend, no later than seven working days before the day of the meeting. Supporting papers shall be sent to Committee Members, and other attendees as appropriate, at the same time.

3.5 Attendance at Meetings

- 3.5.1 The CEO/Principal, Exec Director of Finance shall normally attend meetings of the Committee. The Committee shall have the power to invite such other persons to attend meetings as may be desirable and necessary.
- 3.5.2 Other Corporation members shall have a right of attendance, save that the Committee may exclude Staff and Student Members

3.6 Minutes

The Secretary shall prepare formal minutes for every meeting capturing key issues raised, and decisions and approvals made by the Committee. The minutes shall include the names of all those present at the meeting.

3.7 Corporation Reporting

Following each Committee meeting, the Chair of the meeting shall report to the Corporation on material matters arising at meetings, and the minutes of the meeting shall, once approved by the Chair, be presented to the Board.

3.8 Annual Evaluation

3.8.1 The Committee shall conduct an annual self-assessment to assess its contribution and effectiveness in fulfilling its terms of reference.

4. DUTIES

4.1 Ensure the effective and efficient use of resources to meet the requirement of the financial memorandum to maintain the solvency of the Group and safeguarding of assets.

4.2 Monitor

4.2.1 Annual estimates of income and expenditure through financial information that enables the Group to manage the business.

4.2.2 Financial Regulations & Procedures

4.2.3 Capital expenditure, loans, financing and investments in line with the Financial Regulations

4.2.4 Annual Budget and Financial Plan, Treasury management and performance against budget

4.2.5 Management accounts and reforecasts

4.2.6 Statutory Accounts for the College and any subsidiary companies including accounting policies

4.2.7 The Group Estates Strategy including capital investment/expenditure

4.2.8 The Group financial KPI's as agreed with the Board

4.2.9 Review procurement activity in line with budgetary planned savings.

5. AUTHORITY

- 5.1 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 a third party, 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.
- 5.2 The Committee is authorised by the Corporation to obtain outside legal or other independent professional advice at the expense of the College, and to secure the attendance of outsiders with the relevant experience and expertise if it considers necessary.

6. REVIEW

These Terms of Reference will be reviewed on an annual basis by the Committee.