



Finance Committee

Terms of Reference

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Related policies/procedures/guidance/forms	
Staff member responsible for update	Chair of Finance Committee

Amendment History

Version	Revision Summary	Date Approved	Author
020/22	Separated from Audit and Risk Committee so new TOR developed.	7/4/22	



Finance Committee

Terms of Reference

Objectives

1. To work towards fulfilment of the College's Vision by ensuring that the College's finances are able to support all activities.

Responsibilities

2. The Finance Committee is an Advisory Committee of the Board of Governors and is charged with providing advice and assistance on all matters concerning the College finances. In particular:
 - monitoring and reviewing the overall financial strategies and financial policies of the College, informed by the strategic plan, making recommendations as appropriate to Governors.
 - appraising the financial procedures and delegations across the College and making recommendations to Governors as required.
 - scrutinising the Annual Report and Accounts to be satisfied they represent a true and fair view of the financial situation for the year and comply with Statement of Recommended Practice (SORP) and other legal requirements and recommending their approval to the Governors.
 - reviewing the annual budget and recommending it to the Governors for their approval, including appraising fees and charges for each academic year and making recommendations on staff pay.
 - reviewing management accounts, relevant key performance indicators, forecasts, and cash flow forecasts.
 - reviewing banking arrangements, including selection of bank counterparties and bank mandate arrangements, to ensure they continue to meet the College's needs and recommending changes to the Governors as and when necessary.
 - appraising the financial implications of proposed and actual major projects and developments, including scrutinising judgements, and making recommendations to Governors as appropriate.
 - monitoring borrowing requirements, including any overdraft facilities and any loans taken out by the College and reviewing compliance against covenants, and reporting regularly to Governors.
 - monitoring and reviewing the College's arrangements in relation to investments to optimise the total return to the College, including review of the investment policy, ensuring that investment arrangements are aligned with the College's long-term objectives, ethical policy and ensuring compliance with terms of gifts.

- meeting regularly with the College's investment advisor and manager to review the performance of investments and making recommendations to the Governors in relation to the appointment, reappointment and removal of the College's investment advisors and managers.
- reviewing the College's arrangements in relation to reserves, including its reserves policy and making recommendations to the Governors.
- advising on and implementing the Governors' policies in respect of financial aspects of the College's property portfolio; and
- discussing other financial matters as and when required.

Reporting

3. The Committee will circulate Minutes of its meetings to the Board of Governors and the Audit and Risk Committee.
4. The Chair of the Committee will present a report to the Board of Governors on the work of Committee at Governors' meetings.

Membership

5. The Committee will comprise:
 - the Treasurer as Chair
 - the Principal
 - a Governor with relevant expertise
 - not more than three other non-executive members with relevant expertise appointed by the Governors.
6. The Chief Operating Officer and the Head of Finance shall attend and speak at meetings but not vote.
7. Others may be invited to meetings of the Committee to provide specialist advice to the Chair and Committee.

Meetings

8. The Committee is a standing committee and shall meet at least three times each year.
9. The Treasurer, or nominated and suitably qualified deputy, at least one other non-executive member, and either the Chief Operating Officer or Head of Finance will constitute a quorum.
10. The Chief Operations Officer and/ or the Head of Finance must be present at each meeting.
11. The Minutes of the Committee will constitute a formal record of its meetings and decisions.
12. The Finance Committee has no sub-committees.