

#### **Purpose**

To ensure the College's ongoing and long-term financial health and sustainability.

To formulate guidelines for and oversee the discharge of the College's responsibilities for the proper management of the finances of the College in line with the regulations laid out by the DfE, ESFA and other regulators.

To challenge and hold to account the Executive on such matters.

#### **Responsibilities**

1. To consider the going concern and solvency of the College including the safeguarding and/or disposal of assets and financial oversight of capital projects, and make recommendations to the Corporation as required;
2. To set delegated authority limits for financial transactions and recommend to the Corporation the adoption of robust Financial Regulations and policies at the required intervals to comply with the regulations laid out by the DfE, ESFA and other regulators;
3. To oversee the College's application of the College's Financial Regulations and policies, and to make decisions and/or recommendations as appropriate;
4. To consider and review the periodic management accounts (including cash flow and Key Performance Indicators) to compare performance to budgetary forecast;
5. To review the College's draft and audited Annual Report and Financial Statements and make recommendations to the Corporation;
6. To review the assumptions used to draft the budget and recommend the final budget to the Corporation for approval;
7. To consider the financial implications of any proposals made regarding Executive pay and consider the implications of proposed changes to pay policies for staff in line with affordability and the HM Treasury Tax requirements;
8. To review and approve any staff severance payments in accordance with the ESFA regulations
9. To review annually the charges made by related parties to ensure they represent value for money;
10. To consider and advise the Corporation on any relevant taxation issues, seeking advice from external sources as required;
11. To advise the Corporation generally on investments and borrowings, seeking advice from external sources and to review and approve the College's Treasury Management Policy annually;
12. To review annually the College's subcontracting policies (including the business case strategy; rationale, scope and proposed partners for the year ahead; and the subcontracting procurement policy) and recommend to the Corporation.

#### **Delegated Authorities**

None

#### **Policies/Reports to scrutinise and recommend to the Corporation:**

1. Financial Regulations (including authority limits for financial transactions)
  - a. Fraud Action Plan

- b. Treasury Management Policy
- c. Procurement Policy
- 2. Annual budget and three-year forecast
- 3. Financial Objectives
- 4. Financial Statements
- 5. Reserves Policy
- 6. Subcontracting Policies

**Membership**

The Committee shall comprise up to 7 members, to include the Chair of the Corporation and the CEO *ex officio*. Note: in accordance with regulation the CEO is ineligible to act as Chair or Vice Chair.

The Committee may invite the College’s advisers or other third parties to attend meetings of the Committee as appropriate (such persons shall be entitled to speak at the meeting, but not to vote).

Members of the Senior Executive Team and Finance Teams are invited to attend meetings of the Committee. Other members of staff may also attend on specific invitation from the Committee Chair.

The quorum for meetings of the Committee shall be three.

**Chair**

The Corporation will appoint a Governor as the Committee Chair through its standard processes for a term of one year, renewable, at its meeting in July for the following academic year.

**Vice-Chair**

The Corporation will appoint a Governor as the Committee Vice-Chair through its standard processes for a term of one year, renewable, at its meeting in July for the following academic year.

**Clerk**

The Governance Professional shall act as Clerk to the Committee

**Frequency of Meetings**

The Committee will meet not less than six times a year.

**Term of Office**

Appointments of members of the Committee will cease at the end of their term of office as a Governor; unless members opt to terminate their membership by issuing notice of resignation to Governance Professional.

**Powers**

This Committee is advisory to the Corporation, apart from the specific powers delegated above and any additional powers as delegated by the Corporation, from time to time.