



The Northern College For Residential Adult Education

Terms of Reference - The Policy and Finance Committee

- 1 Membership**
 - 1.1 The committee will consist of between six and eight members:
 - the Principal will be an ex-officio member of the committee;
 - where appropriate the committee may appoint up to two independent members with appropriate expertise.
 - 1.2 The chair and members of the Audit Committee may not be members.
 - 1.3 The committee may invite other third parties to attend meetings of the committee as appropriate. Such persons shall not have a vote, but shall be entitled to speak at the meeting.
 - 1.4 Membership of the committee and its terms of reference shall be approved by the Board of Governors.
- 2 Quorum**
 - 2.1 The quorum shall be three (excluding the Principal and any staff or student members).
- 3 Frequency of Meetings**
 - 3.1 At least four times per year.
- 4 Responsibilities of the Committee**
 - 4.1 Ensuring there is an effective framework for the financial management of the College, including financial regulations.
 - 4.2 Advising the Board of Governors regarding the:
 - 4.2.1 solvency of the institution and the safeguarding of its assets;
 - 4.2.2 financial strategy and financial forecasting;
 - 4.2.3 financial implications of any proposed strategic developments, including any significant funding bids;
 - 4.2.4 reserves, treasury management and borrowing strategy;
 - 4.2.5 property strategy and IT and capital expenditure;
 - 4.2.6 HR strategy.
 - 4.3 Undertaking monitoring of the College's:
 - 4.3.1 financial performance;
 - 4.3.2 treasury management performance;
 - 4.3.3 key performance indicators;
 - 4.3.4 subcontracting arrangements;
 - 4.3.5 externally funded projects over £100K;
 - 4.3.6 trust funds.
 - 4.4 Provided that decisions are consistent with policies laid down by the Board of Governors and the financial and other regulations that may be in force, approving:
 - 4.4.1 tuition and other fees;
 - 4.4.2 expenditure in excess of £50,000 (as set out in the financial regulations);
 - 4.4.3 insurance arrangements;
 - 4.4.4 student union annual accounts;
 - 4.4.5 the treasury management policy;
 - 4.4.6 writing off of debts in excess of £1,000;
 - 4.4.7 severance arrangements and payments (with the exception of senior post holders);
 - 4.4.8 One-off, exceptional departures from the financial regulations.

- 4.5 Considering and recommending to the Board of Governors for approval:
 - 4.5.1 annual financial statements;
 - 4.5.2 a rolling three year financial plan;
 - 4.5.3 annual estimates of income and expenditure;
 - 4.5.4 any major proposed variations in expenditure;
 - 4.5.5 relevant policies concerning the appointment, promotion and employment of staff;
 - 4.5.6 all College policies where approval is not allocated elsewhere;
 - 4.5.7 any proposed subcontracting arrangements.
- 4.6 Undertaking any other responsibilities allocated to it in the scheme of delegation or as requested by the Board of Governors.
- 4.7 Considering the risks allocated to the committee for oversight.
- 4.8 Assessing the performance of the committee once a year and agreeing any actions arising.
- 4.9 Considering the appropriateness of the committee's terms of reference and advising the Board of Governors on any changes for approval.
- 5 Election of Chair**
 - 5.1 The chair of the committee will be selected by the Board of Governors from the Board members. The Principal, staff and student governors shall not be eligible to be chair.
- 6 Clerking the Committee**
 - 6.1 The Clerk to the Governors.
- 7 Reporting to the Board of Governors**
 - 7.1 A summary of each meeting of the committee will be presented to the next available board meeting.
- 8 Date of Approval** 12 December 2019 – Board of Governors.
- 9 Date of Next Review** December 2021