



Portsmouth College Corporation

Terms of Reference for the Finance and Resources Committee

Date of Policy:	July 2018
Policy Review Date:	July 2019
Route for Approval:	Governors' F&R Committee, Full Board
Review Cycle:	Annual Review
Date of Approval:	4 July 2018

1. Membership

- 1.1. The Committee shall comprise at least four governors appointed by the Corporation, on the recommendation of the Search Committee in consultation with the Chair of the Finance and Resources Committee.
- 1.2. The Principal and the Chair of the Corporation will be members of the Committee.
- 1.3. The Chair of the Committee shall be selected by the Corporation and shall not be the Chair of the Corporation.
- 1.4. The Clerk to the Corporation shall act as Clerk to the Committee.
- 1.5. Only members of the committee have the right to attend committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

2. Quorum

- 2.1. The quorum for meetings of the Committee shall be three members.

3. Frequency of Meetings

- 3.1. The Committee shall meet at least once a term and otherwise as required.

4. Notice of Meetings

- 4.1. Meetings of the committee shall be called by the Clerk to the Committee at the request of the Committee Chairman.
- 4.2. 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 other person required to attend no later than seven days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

5. Minutes of Meetings

- 5.1. The Clerk to the Committee shall minute the proceedings and decisions of all committee meetings, including the names of those present and in attendance.
- 5.2. Draft minutes of committee meetings shall be agreed with the Committee Chairman and then circulated promptly to all members of the Corporation unless it would be inappropriate to do so.

6. Duties

- 6.1. To consider and make recommendations to the Corporation on all aspects of the College's finance including financial policies, financial targets and funding arrangements.
- 6.2. To consider and make recommendations to the Corporation on the annual estimates and budgets of revenue and capital income and expenditure and other budgets.

- 6.3. To consider and make recommendations to the Corporation on financial forecasts and other financial returns required by the funding body.
- 6.4. To receive correspondence from the funding body concerning the financial health of the College and to consider and report implications to the Corporation.
- 6.5. To consider and make recommendations to the Corporation on sub-contracting arrangements for the delivery of government funded education and or training (including apprenticeships).
- 6.6. To review and report on the management accounts of the Corporation.
- 6.7. To consider, review and to recommend the annual financial statements to the Corporation for approval.
- 6.8. To monitor developments and the financial position of the College with regard to the strategic plan.
- 6.9. To consider any proposed capital projects and to advise the Corporation on their financial implications
- 6.10. To review and monitor the College's value for money and advise the Corporation on it.
- 6.11. To make recommendations to the Corporation generally on investments.
- 6.12. To make recommendations to the Corporation about borrowings and to seek appropriate advice from external sources. This is to include assessing the suitability of loan covenants, repayment terms and the associated risks of default.
- 6.13. To review periodically, as may be required, the banking, insurance, payroll and other financial and legal services and make recommendations to the Corporation
- 6.14. To monitor the effectiveness of the College's procurement policy and make any necessary recommendations.
- 6.15. To monitor and make recommendations about any necessary fee charging mechanisms.
- 6.16. To have oversight of the assets management plan including maintenance of buildings, grounds and equipment in accordance with statutory requirements
- 6.17. To review proposals and plans for expenditure on minor works programmes and major capital items.
- 6.18. To oversee and monitor the College's IT strategy and related issues, including Data Protection.
- 6.19. To make recommendations to the Corporation on the approval of contracts as required by the financial regulations.
- 6.20. To receive reports on incidents affecting College property.
- 6.21. To review the financial regulations and to recommend them to the Corporation for approval.

- 6.22. To undertake such other responsibilities as described in the financial regulations and procedures and for those specifically delegated from the Corporation as appropriate to the Finance and Resources Committee.
- 6.23. To review annually the amounts that will be defined as a 'significant variance' from the budget. (PCFR 3)
- 6.24. The Committee shall monitor, at each meeting, any relevant significant items from the College Risk Register, as required by the Audit Committee.
- 6.25. To monitor compliance with the funding agreement.

7. Delegated Powers to the Finance and Resources Committee

- 7.1. Approval of significant transfers between different categories of the budget, that is up to £20,000. (PCFR 3)
- 7.2. Approval of any review and revision of the college budget up to £20,000. (PCFR 3)
- 7.3. Approval of capital acquisitions and building work in situations where only specialist supplier exists or time delays would threaten effective/efficient completion of project for amounts of £50,001+. (PCFR 4)
- 7.4. Approval of any revisions to the capital budget under (+/-10%). (PCFR4)
- 7.5. Approval of monthly and four monthly financial statements. (PCFR5)
- 7.6. Approval of credit notes between £2,501 and £25,000. (PCFR 9)
- 7.7. Writing off debts between £1,001 and £15,000. (PCFR 9)
- 7.8. Disposal of assets between £5,001 and £25,000. (PCFR 11)
- 7.9. Approval of all elements of the annual budget including capital project/acquisitions and other contracts (including finance leases) over £50,000 in total and up to £100,000. (PCFR 13)
- 7.10. Approval of pay expenditure over and above the agreed annual budget, plus other annual revenue budget overspends up to 1% of total budgeted revenue expenditure subject to ratification by the Corporation. (PCFR 13)
- 7.11. Approval if the total of all outstanding staff loans exceeds £10,000. (PCFR 14)
- 7.12. Approval of sales and purchases of goods and services between employees and Corporation members and the College. (PCFR 17)
- 7.13. Authorisation of partnering for contracts costing up to £250,000. (PCFR 18)

8. Delegated Powers to the Chair of the Finance and Resources Committee

- 8.1. Approval of capital expenditure over and above the approved budget if the Chair of the Corporation is unavailable. (PCFR 4)

- 8.2. Approval of budgeted capital acquisitions and building work over £50,001 if the lowest tender is not to be accepted. (PCFR 4)
- 8.3. Approval of capital acquisitions and building work in exceptional circumstances over £25,001. (PCFR 4)
- 8.4. Approval of capital acquisitions and building work in situations where only specialist supplier exists or time delays would threaten effective/efficient completion of project for amounts between £25,001 and £50,000. (PCFR 4).
- 8.5. Approval of surplus funds being placed on longer term deposit in UK bank accounts for up to 6 months. (PCFR 7)
- 8.6. In exceptional circumstances, authorisation of partnering for contracts costing up to £250,000. (PCFR 18)

9. Other Matters

- 9.1. The Committee shall:
 - 9.1.1. Have access to sufficient resources in order to carry out its duties.
 - 9.1.2. Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
 - 9.1.3. Give due consideration to relevant laws and regulations.
 - 9.1.4. Work and liaise with all other committees.
 - 9.1.5. Arrange for periodic reviews of its own performance, and at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Corporation.

10. Authority

- 10.1. The Committee is authorised to:
 - 10.1.1. Access all the information and explanations it considers necessary, from whatever source, to fulfil its remit. Seek any information it requires from any employee of the College in order to perform its duties.
 - 10.1.2. Obtain, at the College's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so.
 - 10.1.3. Have the right to publish in the annual report, details of any issues that cannot be resolved between the Committee and the Corporation.

11. Annual Schedule of Business

AUTUMN TERM
Election of Chair
Strategic updates including update on enrolment
Monitor progress towards governor targets for current year
Draft Report & Financial Statements for previous year ended 31st July
First quarter management accounts and current budget position
Review value for money
Sub-contracting update
Funding agreement
Student union accounts
Accommodation and resources update
Financial regulations and procedures for review/approval
Policies for review/approval
Review of relevant risks
SPRING TERM
Strategic updates including enrolment and applications update
Monitor progress towards governor targets for current year
Mid-year management accounts and current budget position
Sub-contracting update
Budget planning for coming year
Fees and charges for coming year
Accommodation and resources update
Review of investment strategy
Financial regulations and procedures for review/approval

Policies for review/approval
Review of relevant risks
SUMMER TERM
Review terms of reference
Strategic updates including: applications update and progress towards relevant aspects of the strategic plan
Monitor progress towards governor targets for current year
Latest management accounts report including end of year forecast
Sub-contracting update
Budget for the coming year
Financial forecasts for next two years
Accommodation and Resources update
IT report
Financial regulations and procedures for review/approval
Policies for review/approval
Review of relevant risks