1. **PURPOSE**

**Item 4.3.5**

1.1 To support the Board in its non-delegable duties namely:

1. The approval of the annual budget
2. The responsibility for ensuring the solvency and liquidity of the College and for safeguarding the assets
3. To scrutinise all substantive accounting information provided to external stakeholders and all substantive accounting data and information used to support decision making within the corporation
4. To guide the Board on all data and information scrutinised by the Finance Committee.
5. **COMPOSITION**

2.1 The members will be appointed by the Board from its members. They will consist of the CEO (or designate) and Chair, who will be ex-officio members, and up to four other members of the Board.

2.2 In addition, the Committee may co-opt up to three persons who are not Board members. Co-opted Governors will be appointed for a two-year renewable term of office.

2.3 The Committee will elect a Chair and Vice-Chair from its membership and seek approval from the Board. Co-opted members may not be elected as Chair.

2.4 The Committee will be supported by the relevant College officers.

1. **MEETINGS**

3.1 The Committee will meet at least four times a year and on other occasions if circumstances require.

1. **QUORUM**
   1. The quorum will be 40% with at least three members present. Co-opted Governors have full voting rights and are counted as part of the quorum.
2. **TERMS OF REFERENCE**

5.1 To consider and advise the Board on all aspects of the College’s finances, as per the financial regulations.

5.2 To consider, make representations and recommendations to the Board on the annual budget.

5.3 To consider, review and report to the Board on the periodic management accounts.

5.4 To consider, review and report to the Board reports and forecasts on financial matters, such as the management accounts, annual financial statements, College Financial Forecasting Return (CFFR) and other reports and forecasts that may be required.

5.5 To consider, review and approve appropriate financial regulations for public scrutiny.

5.6 To maintain and review the finance strategy and to consider and advise the Board on the financial implications and any significant financial risks associated with any new capital projects, proposals or ventures.

5.7 To provide control and oversight, from the finance perspective, of major College Development Programmes considered by the Capital Development Board throughout all their phases and to ensure that the Projects adhere to the financial aims and aspirations of the College as set out in the Strategic Plan and Property Strategy.

5.8 To review the financial elements of the College’s Risk Register and their outcomes annually.

5.9 To review and approve contracts with subcontractors of the College

5.10 To advise and make recommendations to the Board on financial risk appetite.

1. **RELATIONSHIP WITH AUDIT, RISK & COMPLIANCE COMMITTEE**

6.1 Any issues relating to financial controls or processes (including those relating to financial risk) sit within the remit of the Audit, Risk & Compliance Committee, and any risk to College finances sit with the Finance Committee.

1. **RELATIONSHIP WITH THE CAPITAL DEVELOPMENT BOARD**

7.1 The Capital Development Board (CBD) is a Committee of the main Board. This is a time limited Committee for the duration of the Capital Programme as defined by the Business Case supporting the application for FECTF (‘The Project’) and will be disbanded upon completion of The Project.

The CDB Board has strategic responsibility for the oversight of the implementation of The Project, as approved by the Board.

All expenditure outside the definition of The Project must be reported and considered at the Finance Committee for recommendation to the Board and subsequent implementation by the Capital Development Board.

1. **REPORTING ARRANGEMENTS**

8.1 The minutes of meetings of the Finance Committee will be circulated to all members of the Board, and any recommendations for approval will be tabled for Board consideration at its earliest convenience.

1. **POLICIES/STRATEGIES ALLOCATED FOR DISCUSSION AND APPROVAL**

Including, but not limited to:

1. Risk Management Policy *(jointly with the Audit, Risk & Compliance Committee)*
2. College Financial Regulations *(jointly with Audit, Risk & Compliance Committee)*
3. Tuition & Fees Policy
4. Student Support Funds Policy
5. Subcontracting & Supply Chain Policy
6. Estates Strategy *(jointly with Capital Development Board)*
7. Digital Strategy *(jointly with Capital Development Board)*
8. SPH & Governor Expenses Policy *(jointly with Audit, Risk & Compliance Committee)*
9. **ROUTINE REPORTS RECEIVED BY THE COMMITTEE**

Including, but not limited to:

1. KPIs Report
2. College year-end audited accounts, including financial statements and regularity auditor’s management letter (jointly with Audit, Risk and Compliance Committee)
3. Student Union budget
4. Management accounts
5. Financial Risk Management report, including an annual report
6. Budget progress report
7. CFFR return
8. Senior post holder and Governor expenses report
9. Subcontracting update report (joint with Curriculum & Standards Committee)
10. Income generation report

**Approved by:**

* Finance Committee: 23rd June 2022
* ESCG Board: 5th July 2022