

## Finance and Personnel Committee

### 1 CONSTITUTION

The Finance and Personnel Committee is formally constituted as a Committee of the Corporation of Northumberland College, in accordance with the Articles and Instrument of Government of the College.

### 2 PURPOSE

- 2.1 To help the Corporation effectively discharge its responsibilities for the financial, human resource and estates aspects of College governance.
- 2.2 To monitor the financial performance of the College, and make regular reports to the Corporation Including:
- Income and expenditure account
  - Balance sheet
  - 12month rolling cashflow summary
  - Commentary on the above including key ratio analyses
- 2.3 To review arrangements for securing value for money, solvency and safeguarding of assets.
- 2.4 To investigate, or commission investigations into, variations in financial performance from budgeted targets.
- 2.5 To consider in detail reports from the Principal and senior managers on issues related to the employment and deployment of staff.
- 2.6 To consider in detail reports from the Principal and senior managers on issues related to estates and capital.
- 2.7 To exercise authority delegated to the Committee by the Corporation to take decisions on behalf of the Corporation, subject to such financial or other limits or reporting requirements as may be determined by the Corporation.
- 2.8 To act as a sounding board for the senior management of the College.

2.9 To ensure that planned enrolment targets are formally reviewed and approved prior to the start of the academic year by the most appropriate Committee.

### **3 MEMBERSHIP**

3.1 The membership of the Committee shall be determined by the governing body and shall comprise:

- the Principal
- 5 other members of the Corporation (excluding members of the Audit Committee and those aged under 18)

3.2 The Chair of the Committee shall be determined by the Corporation.

3.3 The Vice Chair of the Committee shall be determined by the members of the Committee.

3.4 For a meeting to be quorate, there must be a minimum of 40% of the membership (3 members) present.

3.5 Any member of the Corporation (other than those specifically excluded) can attend a meeting of the Committee. Any members attending shall count towards the quorum.

### **4 ATTENDANCE**

4.1 In addition to members of the Committee, meetings will normally be attended by senior postholders of the College. Other staff may be invited by the Committee to attend all or part of a meeting to give advice to the Committee on aspects of the College's financial, personnel or estates work.

4.2 Any member of the Corporation can attend a meeting of the Committee. In the absence of a committee member from any meeting a Corporation member may be appointed as a nominee for that meeting and be eligible to count towards the quorum for that meeting.

4.3 The Committee may secure the attendance at meetings of financial, personnel or other professional advisers to ensure that decisions are taken in the light of independent, objective evaluations wherever appropriate.

### **5 FREQUENCY**

5.1 The Finance and Personnel Committee will normally meet on at least 5 occasions each year, in accordance with a schedule of meetings of the Corporation and its Committees agreed annually in advance by the Corporation, or as otherwise prescribed by the Corporation.

- 5.2 The Committee may be required by the Corporation to meet on additional occasions to consider matters referred to the Committee by the Corporation.
- 5.3 The members of the Committee may convene such further additional meetings as they deem necessary for the effective discharge of their delegated functions.

## **6 AUTHORITY**

- 6.1 The Finance and Personnel Committee has authority delegated to it by the Corporation to take decisions that are consistent with achievement of strategic objectives identified by the Corporation.
- 6.2 The Committee may not, other than with the explicit approval of the Corporation, agree any expenditure by the College which would in itself cause actual expenditure to exceed planned expenditure by more than £200,000 , except those items specifically referred to in 6.3 below.
- 6.3 The Committee is empowered to seek such legal, financial or other professional advice as may be necessary for the effective discharge of its duties, subject to the requirement that any expenditure on such advice should not exceed £1,000 without the explicit prior approval of the Corporation.

## **7 DUTIES**

- 7.1 To subject plans for future income and expenditure to detailed scrutiny in advance of their consideration by the Corporation.
- 7.2 To give detailed consideration to the College's financial performance, with specific reference to monthly management accounts detailing:
- balance sheet movements
  - income and expenditure
  - cash flow

and to highlight to the Corporation any issue resulting from any of those reports.

- 7.3 To consider regular reports on personnel issues within College, including:
- employed establishment
  - staff turnover
  - recruitment
  - sickness and absence
  - health and safety
  - staff training.
- 7.4 To oversee the development of appropriate policies and procedures relating to the employment of staff.

- 7.5 To consider regular reports on estates matters.
- 7.6 To act as a sounding board in advising the Principal and other senior managers on matters relating to the financial and personnel aspects of the College.
- 7.7 The Committee's responsibilities will also encompass the College's subsidiary undertakings. The term "College" represents the Group.

## **8 REPORTING PROCEDURES**

- 8.1 The Clerk to the Corporation shall be the Clerk to the Finance and Personnel Committee.
- 8.2 The agenda and all supporting papers for meetings of the Finance and Personnel Committee shall be circulated to all members of the Corporation no fewer than 7 days in advance of the meeting.
- 8.3 Minutes of meetings of the Finance and Personnel Committee shall be circulated to all members of the Corporation, and shall be agenda items at meetings of the Corporation.

## **9 OTHER**

The terms of reference for this Committee will be reviewed at least every two years.

## **10 ADOPTION**

These terms of reference were agreed by the Corporation of Northumberland College at its meeting of 25 January 2005 and 26 February 2008 and 22 September 2008.

