



**Heart of Yorkshire**  
Education Group

## **Heart of Yorkshire Education Group**

### **Finance and Resources Committee**

#### **Terms of Reference 2021/22**

## **1 Objectives**

The Finance and Resources Committee shall advise the Corporation of the Heart of Yorkshire Education Group (to be referred to as the corporation). It:

1.1 Is accountable to the Corporation

1.2 Shall consider any matters relating to finance and assets/liabilities, including making recommendations to the Corporation on:

- Budgets and Forecasts
- Capital expenditure requirements including loans
- The financial implications of major building projects, major repairs and renewal projects, acquisitions and disposals of land and buildings
- Major variances of income and expenditure
- Financial forecasts
- Monitoring of the management accounts
- Review of the cash flow and forecasts
- The review of key financial performance indicators

1.3 Shall review the audited annual accounts and recommend them for approval to the Corporation.

## **2 Membership**

2.1 The Finance and Resources Committee shall comprise the following Members:

- At least Five Members of the Corporation or

- At least three Members of the Corporation and up to two Co-opted Members with strong financial skills and experience (not a Corporation Member)
  - Subject to a minimum of five members on the committee
- 2.2 The Search Committee shall review the membership of this Committee on an annual basis.
- 2.3 A quorum shall be 3 members, the majority must be full board members.
- 2.4 Co-opted External Members will have voting rights on this Committee. They do not have a right to attend other Committee or Corporation meetings.

### **3 Appointment of Chair and Vice Chair**

- 3.1 The Chair of the Committee shall be appointed by the Board and shall be an independent corporation member.
- 3.2 The Chair of the Finance Committee should not be any of the following:
- The Principal/Chief Executive
  - The Chair of the Corporation
  - A Co-opted member
- 3.2 The Chair and Vice Chair shall hold office for two years, and until the first meeting of the Committee of the subsequent College year.
- 3.3 At the end of the term of office the Chair and Vice Chair shall be eligible for re-appointment.
- 3.4 If the Chair and Vice Chair are absent from any meeting of the Committee, the members shall choose one of their number to act as Chair for that meeting.
- 3.5 The Chair of the Finance and Resources Committee should have the expertise to understand the reports and ability to hold the Executive Director – Finance to account. If no suitable qualified member is a member, the Committee should ensure they are supported by a co-opted member, able to provide some specialist input and expertise.

## **4. Meetings**

### **4.1 Attendance**

- The Clerk to the Corporation shall be Clerk to the Committee.
- The Principal / Chief Executive will be invited to attend each meeting as an observer and to contribute to discussions.
- The Executive Director: Finance shall normally be invited to attend meetings of the Committee to advise members as may be necessary.
- The Committee may also invite other senior post holders to attend meetings and report to the Committee when necessary.
- The Head of each college shall normally be invited to attend each meeting.
- Attendance may be in person or via electronic platforms or a blended approach of both.

### **4.2 Frequency of Meetings**

- The committee will meet at least four times a year, or more often if considered necessary. The joint meeting with Audit and the Auditors will be one of these.
- Additional meetings can be convened should the chair, in consultation with the Corporation Chair, deem this to be necessary.
- Meetings should be scheduled to take place prior to the meetings of the Board of the Corporation to ensure that any matters discussed can be brought to the attention of the Corporation if necessary.

Members will have access to monthly reports for reassurance between the formal meetings.

## **5 Authority**

- 5.1 The Committee is authorised by the Corporation to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary. \*
- 5.2 The Committee may investigate any activity within its terms of reference.
- 5.3 It is authorised to seek any information it requires from any employee of the College. All employees of the College are directed to cooperate with any request made by the Committee.

\* The Corporation may wish to fix a financial limit on the amount of expenditure which the Committee is authorised to incur.

## **6 Duties**

**6.1** In addition to the responsibilities in 1.2 – 1.3 above the Committee:

- Shall receive, at least four times a year, a review on financial matters which should include a financial forecast update and a report on any unexpected funding which comes into the corporation which does not form part of the agreed annual operating budget and capital budget.
- Will monitor and advise the Corporation on the solvency of the Group and on the safeguarding of its assets.
- Will monitor the performance of the Group and each local college against budget and key performance indicators.
- Must ensure adequate Group Insurance cover is in place.
- Will keep under regular review the Group's cash management and borrowing policies, together with its banking arrangements.
- Must have oversight of the group process and delegated budget authority and controls for virement, with an annual review of the scheme of delegation to the Principal and CEO.
- Will authorise items to be disposed of with a book value in excess of *(amount agreed in the Financial Regulations)*

- Shall consider and agree amendments to the Financial Regulations on an annual basis and make a recommendation for their approval to the Corporation. To authorise the writing off bad debts greater than *(£amount agreed in the Financial Regulations)*
- Will monitor the regular reports to the ESFA and OfS and adherence to the requirements of the ESFA and OFs College Accounts Direction.
- The Committee will be empowered to act on behalf of the Board of the Corporation in financial matters requiring urgent consideration, except that the Corporation shall not delegate those items specified in Section 3(1) of the Articles of Government (appendix 1 attached).
- Shall review Health and Safety and Estates items, reviewing the Estates strategy at regular intervals. This will include project reports, maintenance projects, and plans for capital and infrastructure improvements.
- Shall review the ICT strategy, annual reports, infrastructure and maintenance plans, depreciation and continued re-investment plans
- Shall receive the annual GDPR report, regular updates and review the group policy. To note any reportable events.
- Will receive the annual HR report, HR updates and key metrics including
- turnover; recruitment; sickness and absence; staff training/ continual professional development and staff feedback including the annual staff survey.
- Will monitor staff wellbeing and satisfaction. To approve appropriate
- policies and procedures relating to the employment of staff.
- Will monitor SFS (Supporting Futures Selby) KPI
- Will consider legal reports and updates
- Make recommendations to the Corporation regarding policies, major practices and procedures in respect of financial, estates and resources matters and their administration

- Ensure the effective and efficient use of resources, the solvency of the institution and the Corporation and for safeguarding their assets
- Ensure the approval of annual estimates of income and expenditure
- The remit of the committee shall also be reviewed on an annual basis.
- Will review the Scheme of Delegation annually and the receive a report on the compliance with the approval and decision making levels therein.

## **7 Reporting Procedures**

7.1 The Clerk to the Corporation shall circulate minutes of meetings of the Committee to all Corporation members as attachments to the agenda for the next Board Meeting for information and decision as necessary.

7.2 The Chair of the Finance and Resources Committee will provide reports and updates to the Corporation Board following each committee meeting.

7.3 The Chair of the Finance and Resources Committee will have regular updates with the Executive Director – Finance, and will use their judgement when updates to the committee are required.

## **8 Equality, Diversity and Inclusion Statement**

The Group values diversity and inclusion and is committed to promoting equal opportunities and eliminating discrimination. Therefore, the Local Board/Committee will exercise its responsibilities, as far as practicable, to promote equality and diversity and will carry out its business to promote equality of opportunity for all.

## **9. Safeguarding Policy**

The corporation recognises its moral and statutory responsibility to safeguard and promote the welfare of students. We work to provide a safe and welcoming environment where students are respected and valued. We are alert to the signs of abuse, neglect, radicalisation and extremism and follow our procedures to ensure our students receive effective support, protection and justice. The corporation expects Governors, staff and volunteers working on behalf of the college to share this commitment.

## **10. Fraud, Bribery & Corruption**

The Fraud Act 2006 introduces a new offence of fraud, which can be committed in three ways:

- Fraud by false representation
- Fraud by failing to disclose
- Fraud by abuse of a position of trust

All offences occur where the act or omission is committed dishonestly and with intent to cause gain or loss. The gain or loss does not have to succeed, as long as there is intent.

The Bribery Act 2010 makes it a criminal offence to bribe or be bribed by another person by offering or requesting a financial or other advantage as a reward or incentive to perform a relevant function or activity improperly performed.

Further information, including how to raise concerns, is included within the Anti-Fraud and Anti-Bribery & Anti-Corruption Policies.