

# Finance Committee Terms of Reference (UCC)

## Purpose

The Finance Committee is established to assist the Governing Body to oversee that the financial elements of the Strategic Plan are achieved, and that the long-term financial sustainability of the University is managed appropriately, while ensuring that the legal and compliance requirements relating to finance are met.

## Membership

The membership of the Committee shall be appointed by the Governing Body on the recommendation of the Nominations Committee. Consideration will be given to the available skills, expertise and the competencies required to fulfil the Committee's terms of reference. Any gaps in terms of skills required for the Committee may be filled by utilising section 18(4) of the Universities Act 1997 which permits members external to the University to be appointed by the Governing Body.

The Committee shall consist of ten members including:

- the Chair
- the President,
- the Deputy President and Registrar,
- the Bursar/Chief Financial Officer,
- President of the Students' Union,
- three members of the Governing Body and
- two external members with significant relevant experience of business and/or industry or the public sector.

Gender balance is a key element to membership composition. Accordingly, membership of the Committee shall not be comprised of more than seven members of any one gender.

The Chair of the Finance Committee will be the Honorary Treasurer of the University. They shall be nominated by the President, following consultation with the Chair of the Governing Body, and approved by the Governing Body. One of the two external members of the Governing Body shall be appointed as the Deputy Chair. Gender balance will be maintained between these two roles.

Members are required to attend all meetings of the Committee. In the event a member does not attend 3 consecutive meetings, they may be replaced.

A Finance Committee effectiveness review will be carried out after an 18 month to a 2-year period.

## Conflicts of Interest

Committee members shall take personal responsibility to declare any potential conflict of interest arising in relation to any items on the agenda for Committee meetings.

Where a conflict of interest arises, a Committee member shall bring this to the attention of the Chair and where necessary absent themselves from the meeting for the duration of the discussion and

shall not take part in any decisions in relation to the matter in question. Similar arrangements apply in relation to relevant meeting documentation where such documentation is not made available to the Committee member. This shall be noted in the minutes of the Committee meeting.

## **Responsibilities**

The Finance Committee will on behalf of, and under the delegated authority of, the Governing Body:

- receive reports of all income, donations, gifts, endowments and bequests to the University, with due cognisance of issues of donor confidentiality and commercial sensitivity;
- delegate authority to the President, subject to a budgetary limit approved by the Governing Body annually as part of its consideration of the University's budget, to incur expenditure on behalf of the University within such approved limit;
- (subject to review by the Governing Body) control the management and divestment of assets (including intellectual property), and to invest any money belonging to the University, including any unapplied income, in such Stock, Funds, Shares or Securities or in the purchase of Freehold or Leasehold Hereditaments in Ireland including Rents, and may from time to time vary such investments;
- investigate all matters relating to the financial affairs of the University, and for that purpose to examine all books relating thereto, to procure such expert assistance as may be found necessary, and to summon before it any officer or employee of the University who, in its opinion, can give information respecting the same;
- provide annual accounts to the Audit and Risk Management Committee;
- make whatever recommendations to the Governing Body it deems appropriate on any area within its remit where action or improvement is needed. No decision/recommendation of the Committee shall be valid until approved by the Governing Body and
- perform any other related duties or responsibilities at the request of the Chair of the Governing Body.

See Appendix A for items that shall be included in the Committee's annual work plan.

## **Rights**

The Committee may:

- co-opt expertise to provide specialist skills, knowledge and experience; and
- procure specialist ad-hoc advice at the reasonable expense of the University, subject to budgets agreed by the Governing Body.

## **Meetings**

- the Finance Committee shall meet 6 times per calendar year, three weeks in advance of Governing Body meetings. The Chairperson of the Finance Committee may convene additional meetings, as they deem necessary;
- a minimum of six members (including the Chair or Deputy Chair) of the Finance Committee will be present for the meeting to be deemed quorate. A duly convened meeting of the

Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee;

- the following may be required to attend as requested in relation to matters pertaining to their roles and responsibilities:
  - officers, employees of the University,
  - student representatives,
  - directors or employees of subsidiary companies of the University
- between meetings of the Finance Committee, the Chair, the Deputy Chair and the President, in consultation with the Bursar / Chief Financial Officer, may act as necessary to give effect to urgent matters within the remit of the Committee, subject to a budgetary limit approved by the Governing Body annually as part of its consideration of the University's budget. Any such action shall be reported to the next meeting of the Committee. In the event of proposed expenditure exceeding this limit, a special meeting of the Finance Committee shall be convened;
- the Finance Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters, under reserved business agenda item;
- private sessions, meeting time without executives present, should be included on the Committee's work programme to be a standing item at the start or the end of the agenda of two meetings per annum;
- the Governing Body may ask the Finance Committee to convene further meetings to discuss particular issues on which they seek the Committee's advice;
- the Committee will hold a joint meeting with the Audit and Risk Committee as required but at least once a year; and
- OCLA to be in attendance at all meetings.

### **Information Requirements**

On a regular basis, the Finance Committee will be provided, in accordance with Governing Body standing order provisions, with:

- Cash Flow and Treasury Position
- Pension Transfers and Approvals
- University Financial Performance
- Property Matters
- Royalty & Licence Income Review
- Budgetary Matters

As and when appropriate the Committee will also be provided with:

- Financial Statements of University & Subsidiaries
- Financial Statements of Trust Fund
- Financial Performance of Subsidiaries
- Annual Budget Review & Approval
- Annual HEA Accountability Meeting Review
- Investment Proposal Assessment & Any Associated Financing & Business Plans

- Loan Approvals when appropriate
- Spin Out Proposals
- Research Performance Report
- Debtor Performance Report
- Policy Approvals
- Any Exceptional matters requiring approvals by FC as delegated from Governing Body
- Acquisition & Sale approvals
- Full Economic Cost Information
- Fee Approval
- Financial Plan underpinning Strategic Plan Approval
- Procurement Tender Competition outcome approval where appropriate
- Investment & Trust Fund Reports

Management shall also ensure that matters of material concern that are relevant to the Committee’s responsibilities are brought promptly to the attention of the Committee

In addition to the above, the Finance Committee will be provided with any other information that may be pertinent to the functioning of the Committee.

**Period of Office**

The period of office for members of the Finance Committee shall be for a three-year period for a maximum of three consecutive terms (nine years).

**Reporting**

The Chair of the Finance Committee will submit a report to the Governing Body one week prior to each Governing Body meeting.

The Committee will also review these terms of reference at least annually and will make recommendations on updating or amending them to the Governing Body as appropriate.

<b>Version</b>	<b>2</b>
<b>Approved by:</b>	<b>Date</b>
<b>Governing Body</b>	<b>17 September 2019</b>

## Appendix A: Annual Work Programme

The Finance Committee's annual work programme shall be communicated to Governing Body in advance of the coming year and shall include:

- a) **Financial Management:** to advise the Governing Body on any matter relating to the financial management of the University, including preparation and presentation of an annual budget, to supervise the financial affairs of the University, to evaluate and provide advice to the Governing Body and other relevant University bodies on the resource implications of the University's strategic plan, and to monitor the income and the expenditure of University funds;
- b) **Annual Financial Report:** after the end of each financial year to prepare annual financial reports for consideration by the Audit and Risk Committee. The date from which the financial year shall be computed shall be fixed by the Governing Body;
- c) **Financial Accounts:** to make provision that all proper and usual accounts and records of income received, or expenditure incurred by the University, are kept in such form as may be approved by the Higher Education Authority from time to time. A joint meeting to be held once a year with the Audit and Risk Committee to discuss the annual accounts;
- d) **Capital Projects:** to approve capital expenditure projects subject to the limit of delegation to the President under Responsibilities section above;
- e) **Property:** to review all proposals to purchase land or buildings, to sell or dispose of University property, to enter into borrowing commitments or lease agreements for periods in excess of five years and/or in excess of a cumulative value to be determined from time to time by the Governing Body, and to make recommendations to the Governing Body in that regard and subject to the Universities Act, 1997, s 42;
- f) **Commercial:**
  - I. to monitor and supervise the commercial activities of the University and all of its subsidiary and associated companies and related entities,
  - II. to approve legal documents establishing subsidiary companies and related entities and Memoranda and Articles of Association.
  - III. to approve proposed spin outs, intellectual property, licences and royalties,
  - IV. to consider and approve business policy, financial plans and all aspects of University activity requiring new investment;
- g) **Signing Authority:** to review the signing authorities and delegated authorities in the University;
- h) **Financial Governance:** to consider governance processes with regard to financial, budgetary and infrastructural matters, and advise the University management and the Governing Body accordingly, and
- i) **Financial Advice:** to advise on any matter referred to it by the Governing Body.