

## **DE MONTFORT UNIVERSITY**

### **BOARD OF GOVERNORS – FINANCE AND PERFORMANCE COMMITTEE CONSTITUTION**

#### **A Scope and purpose of the committee**

The committee is the prime mechanism through which the Board of Governors ensures that the institution's decisions, policies, and practice in relation to finance and performance are in full compliance with the CUC Higher Education Code of Governance, the OfS regulatory framework for higher education in England, all other statutory requirements, provisions of the Instrument and Articles of Government, the requirements of and obligations to Funding Councils and all other relevant bodies, as well as overall organisational goals and good practice.

The responsibilities of the Finance and Performance Committee relate to the university, all its subsidiary companies, joint ventures and other constituent parts.

The activities of the Finance and Performance Committee will complement the work of the Audit Committee, where appropriate.

#### **B Terms of reference**

##### Finance

1. Oversee the development and implementation of the university's financial strategy and to make recommendations to the Board of Governors thereon.
2. Ensure that the university has in place a set of appropriate Financial Regulations and associated policies and procedures, and to consider updates to those regulations, policies, and procedures as required.
3. Recommend to the Board of Governors the university's annual budget and medium-term financial plan, including the annual plan of capital expenditure.
4. Monitor the university's performance against the approved budget and associated plans, and to review regularly the forecast financial outturn and any significant remedial actions.
5. Consider proposals for capital and revenue expenditure of over £1m (over a five-year period), including estates and IT infrastructure development projects. Where expenditure exceeds £3m, the committee will consider the proposal and make a recommendation thereon to the Board of Governors, who will be responsible for its approval or otherwise.
6. Review regularly during implementation the progress of capital expenditure projects to the value of over £1m.

7. Monitor the financial performance of De Montfort Students' Union, and to receive its audited financial statements.
8. Approve the university's Treasury Management Policy and Investment Policy, and to monitor the implementation thereof.
9. Monitor the university's compliance with the terms of its bond covenant.
10. Review the university's taxation activities, including liabilities arising from its international operations.
11. Consider the appointment of bankers, insurance brokers, investment advisors, and other financial specialists as appropriate, and to make recommendations to the Board of Governors as required by the Scheme of Delegation.
12. Seek assurance that the university is meeting the conditions of funding as set by regulatory and funding bodies, and other major institutional funders.
13. Approve policy and monitor activity relating to fundraising, endowments, and donations/gifts and their disbursement.
14. Consider the following, in accordance with the thresholds outlined in the Scheme of Delegation, and to make recommendations thereon to the Board of Governors as required:
  - Proposals for non-recruiting partnerships based in the UK;
  - Proposals for the acquisition and disposal of property and land;
  - Write-off of bad debt;
  - Leases, agreements for leases, easements, transfers, statutory agreements and nomination agreements; and
  - Decisions relating to sponsorships.
15. Understand the financial implications of the university's pension arrangements and any potential deficits, and seek assurance that any potential deficits are reported in the annual accounts.
16. Consider proposals for the establishment and winding up of subsidiary companies, spin-out companies, joint ventures, and other entities in accordance with the university's Financial Regulations.
17. Consider proposals for investment in third party companies.

#### Performance

1. Monitor institutional performance in the following areas, measured against the KPTs defined within the university's strategy and, where possible, benchmarked both within and without the sector:
  - Financial sustainability;
  - Student recruitment (domestic and international);
  - Student experience (including the National Student Survey);
  - Research activity (including the university's performance in the Research Excellence Framework);
  - Enterprise, knowledge exchange, and commercial activity;

- Partnerships activity, including transnational education partnerships and sponsorships;
  - League table performance; and
  - Measures of graduate outcomes.
2. Monitor the conduct and performance of the university's subsidiary companies, spin-out companies, joint ventures, and other entities.
  3. Review the performance and efficiency of the estate, including space utilisation and energy consumption.
  4. Monitor the university's compliance with the Office for Students' conditions of registration, including any new conditions that may come into force over time.

#### General

1. Produce an annual report of the committee for consideration by the Board of Governors.
2. In conducting its business, the committee should inform other subcommittees (and the board) of matters appropriate to their remit. The committee is responsible for identifying matters of potential ethical concern or activity that may lead to material adverse reputational risk to the university, and escalating such matters to the Board of Governors, as appropriate, in line with the university's Scheme of Delegation.
3. Consider any other matters as requested by the Board of Governors.

Additional guidance on the interpretation of these terms of reference should be sought from the Registrar (Academic) and Secretary to the Board.

### **C Membership**

Members (other than staff or student Governors) shall be drawn from the Board of Governors to serve on this committee. There shall be no fewer than four members, one of whom will be the Chair of the Board of Governors. At least one member should have recent and relevant experience in finance, accounting or auditing. The committee may, if it considers it necessary or desirable, co-opt members with particular expertise. As per the CUC's Higher Education Audit Committees Code of Practice, no member of the Finance and Performance Committee should also simultaneously be a member of the Audit Committee, unless specifically authorised.

The Chair shall be an independent governor who will serve for the duration of their tenure on the Board of Governors or until such time as they choose to step down from the role.

The Vice-Chancellor shall be a member of the committee *ex officio*.

### **D Quorum**

A quorum is three members of the committee.

### **E Servicing and support**

Servicing and support will be provided by the Governance Office.

### **F Attendance at meetings**

The Deputy Vice-Chancellor, Chief Finance and Resources Officer, Director of Finance and Procurement, and the Registrar (Academic) and Secretary to the Board shall attend meetings of the committee. Other senior members of staff may be required to attend meetings where business relevant to them is to be discussed.

The attendance of any other person requires the approval of the Chair.

#### **G Meeting schedule**

There will be four meetings a year. Additional meetings can also be called at the request of the Chair of the Finance and Performance Committee, the Chair of the Board of Governors, or the Vice-Chancellor.

#### **H Reporting procedures**

The minutes of the Finance and Performance Committee will be presented to the Board of Governors on a regular basis, in addition to regular updates on business transacted by the committee being provided to the board by the committee chair. Any items requiring Board of Governors' approval in the terms of the Scheme of Delegation will be presented for its consideration.

#### **I Sub-committees**

None.

#### **J Approval and revision**

This constitution will be reviewed and re-approved by the committee at its first meeting of every academic year, or sooner, if significant amendments are required.

#### **K In-year revision record**

<b>Section</b>	<b>Details of revision</b>	<b>Approved on</b>

**Approved: 13 June 2023**

**Endorsed by parent committee: 6 July 2023**