# Introduction

The **Finance Committee** (FC) is appointed by Court and monitors the income and expenditure of the University with oversight and pre-Court approval of the annual budget.

The FC makes decisions on investment requests expenditure between £3 million and £25 million and makes recommendations to Court for expenditure above £25 million.

# Committee remit

To provide oversight on the short and long-term financial sustainability and financial resilience of the Institution

To monitor the income and expenditure of the University and risks to operating cash and financial sustainability

**Court**: consider financial policies and issues and make recommendations to Court on:

* the annual budget
* banking, borrowing and lending
* the investment of endowment funds and surplus cash funds
* the long-term financial position of the University
* academic partnerships with significant resource implications
* creation of new companies
* other financial matters, always having regard to the importance of financial sustainability

and also:

* advise Court on the financial implications of policy decisions being considered by Court
* consider the financial statements of the University and make recommendations to Court thereon
* To review and report to Court on the recommendations of the Investment Advisory Committee
* To provide oversight and if requested by Court approval authority on other aspects of financial management including borrowing and similar arrangements.

**Expenditure**: as reported by the Investment Committee,

* make recommendations to Court on the budget for infrastructure investment
* decide on all investment proposals (capital and revenue) involving expenditure of between £3million and £25 million and, where appropriate, having been approved by the Estates Committee and/or Information Policy & Strategy Committee
* make recommendations to Court on all investment proposals (capital and revenue) involving expenditure of £25m or above and, where appropriate, having been approved by Estates Committee and/or Information Policy & Strategy Committee
* decide on variances to budget of £0.5 million and above on individual projects

**Governance and Risk**

* Ensure appropriate financial governance is being applied at the University
* Review and make recommendations to Senior Management Group and Court on key financial and commercial risks
* Review the oversight and governance arrangements for financial risk management areas on an annual basis
* Review debtor levels and associated sanctions
* Review scope and adequacy of insurance cover

**Innovation**

* Review progress against strategy.
* Review and approve disposals and investments in university spin out companies above £0.25M

**Sub Committee Oversight**

* Review decisions and recommendations from sub committees including:
	+ Student Finance Committee
	+ Investment Advisory Committee
	+ Other temporary Committees that may be created at the request of Finance Committee or Court

**Evaluation**

* To undertake a review of its own remit, performance and effectiveness annually as part of the overall review of Court and its Committees and report thereon to Court

# Scheme of Delegation

The following details the delegated authority for the Finance Committee and shows how it is placed in the overall University Scheme of Delegation with escalation to Court, advising Senior Management Group as required:

|  |  |  |  |
| --- | --- | --- | --- |
| **Area of Responsibility** | **Limit** | **Lead Executive Role** | **Escalation To** |
| Advise Court on Finance Strategy | N/A | Executive Director of Finance | Court |
| Provide oversight on the short and long-term sustainability of the Institution | N/A | Executive Director of Finance | Court |
| Advise Court on financial and commercial policies | N/A | Executive Director of Finance | Court |
| Recommend banking, borrowing and lending arrangements | N/A | Executive Director of Finance | Court |
| Review financial implications of academic partnerships with significant resource implications and advise Court accordingly | N/A | Executive Director of Finance | Court |
| Advise Court on creation of new companies | N/A | University Secretary and COO | Court |
| Consider the annual budget (capital and revenue) and make recommendations to Court | N/A | Executive Director of Finance | Court |
| Consider the financial statements of the University and make recommendations to Court | N/A | Executive Director of Finance | Court |
| Review and report to Court on the recommendations of the Investment Advisory Committee | N/A | Executive Director of Finance | Court |
| Review and approve expenditure | >£3m<£25m | Executive Director of Finance |  |
| Advise Court on expenditure | >£25m | Executive Director of Finance | Court |
| Review and approve variances on individual project budgets | >£0.5m | Executive Director of Finance |  |
| Review and make recommendations to SMG and Court on key financial and commercial risks | N/A | Executive Director of Finance | Court / SMG |
| Review and approve debtor sanctions | N/A | Executive Director of Finance |  |
| Review and approve TRAC returns | N/A | Executive Director of Finance |   |
| Review and approve disposal and investments in University spin outs | >£0.25m | Executive Director of Finance |  |
| Review decisions and recommendations of the Student Finance Committee | N/A | Executive Director of Finance |  |
| Review adequacy and scope of insurance cover |   | Executive Director of Finance |  |

# Committee Membership

This is a non-executive led committee with the following membership:

* Member of Court (Chair)
* 3 further lay members
* 2 external lay members
* Principal
* Executive Director of Finance
* President of the Students’ Representative Council (“SRC”)
* 2 staff representatives from Court

In attendance:

* Deputy Vice-Chancellor & Senior Vice Principal
* Chief Operating Officer/University Secretary
* Executive Director of Estates
* Convener of Audit & Risk Committee
* Convenor of Estates Committee
* Convenor of Information Policy and Strategy Committee
* Deputy Director of Finance

To ensure that the Committee's membership includes the skills and experience necessary to address its remit effectively. To this end, the Committee may request that the University Court appoint one or more additional co-opted members to the Committee. The Chair of the Committee will participate in the selection process for a new co-opted member

# Substitutions and Quorum

Substitutions may be made with prior notice given to the clerk and approved by the Chair. There must be a minimum of 4 members, of whom at least one must be a lay member of the Court, in attendance for decisions or approvals. In the event of a consensus not being reached, the decision will be escalated to Court.

# Committee Member Responsibilities

* Provide scrutiny and openly and constructively challenge the University financial statements, long term financial sustainability and University investment requests and other papers and proposals to meet the committee remit.
* Activity and behaviour should embody the University’s values ([click here for details](https://www.gla.ac.uk/myglasgow/staff/values/))

# Conflict of Interest

The FC will follow [the UofG procedure for the management of any conflicts](https://www.gla.ac.uk/media/Media_176371_smxx.pdf). The procedure defines declaration of conflicts as a standard agenda item at the start of the meeting, the maintenance of a register of conflicts, and a process for managing all conflicts which are declared.

# Format and cadence

The meeting schedule is five times a year.

**INPUTS**

* Previous meeting minutes, actions and agenda
* UofG strategy
* Executive Director of Finance Report
* Long term cash flow forecasts
* Budget and forecast
* Investment plans
* Investment Business Cases and change requests
* Cash holdings and counterparty levels
* Debtor levels
* Financial Statements and Reports
* Reports from sub committees
* Annual TRAC return

**OUTPUTS**

* Court Papers as required
* Minutes including decisions and actions (shared with Senior Management Group)