

# UNIVERSITY OF HERTFORDSHIRE HIGHER EDUCATION CORPORATION

## FINANCE COMMITTEE

*(Amendments to the version issued previously are shown in italics.)*

### A QUORUM

**3**, of whom **1** shall be either the Chair of the Committee or the Chair of the Board of Governors and **1** shall be an Independent Member of the Board.

### B ARTICLES OF GOVERNMENT

Extract from the Articles of Government approved by the Privy Council with effect from 1 September 2012 which provide as follows:

#### “5 DELEGATION OF FUNCTIONS AND COMMITTEES

5.1 Subject to the following provisions of this Article, the Board of Governors may establish committees for any purpose or function, other than those assigned elsewhere in these Articles to the Vice-Chancellor or to the Academic Board, and may delegate powers to such a committee or to the Chairman of the Board of Governors or to the Vice-Chancellor.

5.2 The Board of Governors shall establish:

- (a) a committee, the membership of which shall be drawn from members of the Board other than staff and student governors, to determine and advise the Board on matters remitted to it by the Board relating to employment policy, in respect of staff other than those for whom the Board has direct responsibility;
- (b) a committee, the membership of which shall be drawn from members of the Board other than staff and student governors, to determine and advise the Board on matters remitted to it by the Board relating to financial policy;
- (c) an audit committee in accordance with guidance issued by the “ Higher Education (Note: HEFCE has now been replaced by the Office for Students (OfS)) Funding Council for England (HEFCE).

### C TERMS OF REFERENCE

#### C.1 General

C.1.1 The Board of Governors has established the Finance Committee to enable it to meet the requirements of 5.2(b) of the University’s Articles of Government. The Committee is responsible to the Board for consideration of matters relating to:

- a the financial management and regulation of the University and its subsidiary companies;
- b ad hoc matters delegated by the Board for scrutiny where the nature of these matters is such that they are reserved under the provisions of the Articles of Government or where, for example, issues of commercial sensitivity exist.

C.1.2 The Committee will oversee, on behalf of the Board of Governors, the management, financial management, administration and progress of the capital projects referred to it from time-to-time by the Board.

C.1.3 To alert the Board to issues of concern.

C.1.4 As necessary and appropriate, to make recommendations to the Board.

#### Finance Committee

Last amended: 26 September 2024

References: Board of Governors Minutes: 287.2.6, 13 November 2014

## C.2 **Subsidiary companies wholly-owned by the Corporation**

The Committee will discharge the role of Shareholder on behalf of the Corporation in respect of companies that are wholly-owned by the Corporation (UH Holdings Limited and UH Trust).

## C.3 **Reporting**

The Committee will make:

- a a report to the Board concerning the business discharged at each meeting;
- b regular progress reports to the Board concerning the capital projects referred to it (the Committee) for oversight, in accordance with the reporting arrangements determined by the Board at the point of final project approval (E.2.3, refers);
- c an Annual Report to the Board.

## D **PROGRAMME OF BUSINESS**

D.1 In fulfilling its responsibilities, the matters considered by the Finance Committee will include but are not limited to the following:

- a **Finance**  
Financial scrutiny of the Strategic Plan and the affordability of developments within it;  
Detailed scrutiny of the Annual Budget and OfS five-year forecast;  
Finance Management Report (including investment strategy, cash flow, commercial debt, loan covenants);  
Management accounts and forecasts;  
Capital expenditure;  
Capital projects referred by the Board for oversight by the Committee;  
Revenue expenditure;  
Oversight of capital projects;  
Commercial exploitation of research and intellectual property;
- b **Subsidiary Companies**  
Management Accounts;  
Annual Accounts;  
Budgets;  
Financial strategy for the subsidiary companies;  
Annual General Meetings and the Appointment of Directors and Company Secretaries of wholly-owned subsidiaries of the Corporation;
- c **Preliminary consideration of other reserved items to formulate advice for the Board**  
Proposed mergers, acquisitions and Joint Ventures;
- d **Risk**  
Risk scenario modelling.

## E **ESTATES VISION – SPECIFIC TERMS OF REFERENCE AND ARRANGEMENTS FOR OVERSIGHT BY THE COMMITTEE**

- E.2.1 The Board has agreed an Estates Vision composed of a series of individual capital projects/phases.
- E.2.2 In approving the Annual Budget, the Board also approves a programme of capital expenditure for the year concerned. This capital programme includes capital expenditure relating to any individual capital project/phase within the Estates Vision to be taken forward during the year to which the Annual Budget applies.

**Finance Committee**

**Last amended:** 26 September 2024

**References:** Board of Governors Minutes: 287.2.6, 13 November 2014

### E.2.3 Final project approval by the Board

- i A project/phase within the Estates Vision is not deemed to have received final approval until it has received Board approval to proceed to construction and the necessary capital funding has been approved by the Board.
- ii The Committee may determine that part of a project/phase for which final approval has been given by the Board should be deferred or should not proceed, and in these circumstances, will make a report to the Board at the earliest opportunity.

### E.2.4 Limits of authority in respect of the Estates Vision

In approving expenditure, the Committee will operate in accordance with the Financial Regulations<sup>1</sup>, save and except that the Committee will report any expenditure approvals in the range **£500,000 - £1m** (including VAT), given in respect of the Estates Vision, or projects within it, to the Board at the earliest opportunity.

### E.2.5 Items for which the prior approval of the Board is required

- i The prior approval of the Board is required before each capital project/phase within the Estates Vision may progress to:
  - a the feasibility study stage (where the cost of the feasibility study will exceed **£500,000** (including VAT)) and/or has not been provided for in the approved Annual Budget;
  - b the detailed design stage (unless the Board has specifically delegated responsibility for this to the Finance Committee);
  - c construction.

### E.2.6 Oversight of expenditure and works

The Finance Committee will have oversight of any work or capital expenditure relating to the Estates Vision, howsoever approved, unless the Board has reserved this responsibility to itself.

## F COMPOSITION

Members are eligible for re-appointment for further terms of office.

### Category

1	An Independent Member of the Board of Governors who shall be Chair	1
2	Chair of the Board of Governors (ex officio)	1
3	Vice-Chancellor (ex officio)	1
4	Not less than three (3) members of the Board who are either Independent or external Co-opted Members	<u>5</u>
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### Officers in attendance:

Deputy Vice-Chancellor  
Group Finance Director  
Secretary and Registrar  
Pro Vice-Chancellor (Business and International Development)  
Director of Estates, Hospitality and Contract Services (to attend as required)  
Head of Governance Services (Clerk to the Committee)

### In attendance

Chair of the Audit and Risk Committee (observer)

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<sup>1</sup> UPR FR06 'Corporate Governance and Financial Regulations'

## G GOVERNANCE AND OPERATION OF THE COMMITTEE

- G.1 The Finance Committee is a committee of the Board of Governors.
- G.2 The Committee will normally hold six (6) meetings in each Academic Year but will normally meet not less than four (4) times during each Academic Year. Further meetings may be convened as necessary. Formal minutes of the Committee's proceedings will be published and circulated by the Head of Governance Services.
- G.3 The Committee will note its terms of reference, composition and membership at the first meeting of each Academic Year and any subsequent changes to these.

## H MEMBERSHIP

Category	Period of office to:	
1 An Independent Member of the Board of Governors who shall be Chair	31.08.25	David Williams
2 Chair of the Board of Governors (ex officio)	31.08.26	David Sproul
3 Vice-Chancellor (ex officio)		Professor Quintin McKellar
4 Not less than three (3) members of the Board who are either Independent or external Co-opted Members	31.08.25 31.08.27 31.08.26	<i>Dr Jon Walmsley</i> Claire Sanders Tony Kypreos

### Officers in attendance:

Deputy Vice-Chancellor	<i>Professor Mairi Watson</i>
Group Finance Director	Alistair Moffat
Secretary and Registrar	Sharon Harrison-Barker
Pro Vice-Chancellor (International and Marketing Communications)	Jo Stuart
Director of Estates, Hospitality and Contract Services (to attend as required)	Ian Grimes
Head of Governance Services (Clerk to the Committee)	Elizabeth Heath
Governance Officer	Nick Harper

### In attendance

Chair of the Audit and Risk Committee (observer)	Bob Macnaughton
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