

## **Board Regulation 1.3**

### **FINANCE COMMITTEE TERMS OF REFERENCE**

#### **1.0 PURPOSE**

1.1 To provide assurance to the Board of Governors on the long-term financial sustainability of the University, through general supervision of the University's finances. This includes assessment and monitoring of the University's management accounts, annual budgets and Financial Plan submission to the Office for Students (OfS); oversight of the University's financial strategy, performance and compliance; recommendations on investments, borrowing and capital expenditure; and oversight of financial, student recruitment, infrastructure and cyber-security risks.

#### **2.0 MEMBERSHIP**

2.1 There shall be a minimum of five members of the Committee which shall include:

- Three independent members of the Board (excluding members of the Audit and Risk Assurance Committee)
- Chair of the Board (ex officio)
- Vice-Chancellor (ex officio).

2.2 The Board may at its discretion co-opt to the Finance Committee one person with relevant expertise, who shall not be a voting member of the Finance Committee.

2.3 The Chair of the Committee shall not be a member of the Audit and Risk Assurance Committee.<sup>1</sup> Members can be Audit and Risk Assurance Committee members by exception subject to approval by the Board of Governors. Occasional attendance by Finance Committee members at the Audit and Risk Assurance Committee as an observer is encouraged (as is attendance at Finance Committee meetings by members of the Audit and Risk Assurance Committee on a similarly occasional basis).

#### **3.0 QUORUM**

3.1 The quorum shall be 50% of the independent members rounded up to the next whole number.

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<sup>1</sup> As stipulated in the Committee of University Chairs (CUC) Higher Education Audit Committees Code of Practice paragraph 25.

#### **4.0 CLERKING ARRANGEMENTS**

4.1 Clerk to the Board supported by Minuting Secretary.

#### **5.0 NORMALLY IN ATTENDANCE**

5.1 Chief Operating Officer / Chief Financial Officer

#### **6.0 BY INVITATION**

6.1 Director of Finance  
Executive Director for Students

#### **7.0 FREQUENCY OF MEETINGS**

7.1 Meetings shall normally be held four times each academic year.

#### **8.0 TERMS OF REFERENCE**

##### ***Budgets and Financial Monitoring***

8.1 To advise and make recommendations to the Board on the University's Annual Budgets and Financial Plan, ensuring that the budget and plan reflect the University's strategic and operational requirements.

8.2 To monitor the financial performance and liquidity of the University via receipt and consideration of monthly financial reports.

8.3 To approve and keep under review the Treasury Management Policy and to receive and consider Treasury Management Reports.

##### ***Financial Planning, Regulation and Performance***

8.4 To oversee financial compliance with the Office for Students' conditions of registration and terms and conditions of funding.

8.5 To oversee financial compliance with banking covenants.

8.6 To oversee the University's plans and performance for income generation and diversification, advising the Board appropriately.

8.7 To receive and monitor the University's key performance indicators for financial activity and to approve and recommend any changes to financial KPIs to the Board.

### ***Investments, Borrowing and Capital Expenditure***

- 8.8 To scrutinise the University's investments and the returns thereon, keeping under review the Environmental, Social and Governance (ESG) arrangements and the University's investment compatibility with its Corporate Social Responsibility Policy.
- 8.9 To assess and discuss proposals for the University to borrow money or to mortgage, lease or to charge all or any part of its property, and to make any recommendations to the Board as required by the University's Financial Regulations.
- 8.10 To make recommendations to the Board regarding the University's capital plan and the overall financing of the plan. To approve projects within the overall plan in accordance with the delegated limits as set out in the University's Financial Regulations, with the appropriate business case.
- 8.11 To advise the Board upon the purchase, sale or lease of land and buildings, or upon capital developments that exceed the thresholds of delegated authority stipulated in the University's Financial Regulations.

### ***Pension Schemes***

- 8.12 To monitor and consider the financial implications of the University's pension schemes.

### ***Subsidiary companies***

- 8.13 To oversee the creation, dissolution or sale of University subsidiary companies.

### ***Students' Union***

- 8.14 To receive and review the annual financial statements of the Kingston Students' Union (KSU) on behalf of the Board of Governors and to oversee whether the Students' Union is operating in a financially sustainable manner.

### ***Strategic Risks***

- 8.15 To monitor and provide assurance to the Board of Governors upon any strategic risks pertaining to its remit, ensuring that these are fully reported within the University's strategic risk register.
- 8.16 To annually oversee the risk related performance of the University's spin-out/joint venture companies.

## **9.0 AMENDMENTS TO THE TERMS OF REFERENCE**

- 9.1 Amendments to the membership and terms of reference may be proposed by the Committee at any time but shall only be formally approved by the Board of Governors.

## **10.0 REVIEW OF THE TERMS OF REFERENCE**

- 10.1 The membership and terms of reference of the Committee shall be formally reviewed on an annual basis by the Committee and any proposals for amendments will be submitted to the Board of Governors for approval.

Approved by Board of Governors 25<sup>th</sup> June 2025