



Terms of Reference, Membership and Effectiveness Review

<b>Outcome requested:</b>	Finance and Investment Committee is asked:  [a] to <b>note</b> its terms of reference and updated membership; [b] to <b>consider</b> the findings from the annual review of Committee effectiveness.
<b>Executive Summary:</b>	[a] No changes are proposed to the Committee's terms of reference, which were last substantially updated in September 2017. The terms of reference are appended to this report.  [b] The membership list has been updated following Isabelle Jenkins's appointment to the Committee and is appended to this report.  [c] An annual review of the Committee's effectiveness has been conducted and a number of recommendations for improvements are proposed.
<b>QMUL Strategy:</b>	The effective management of the QMUL's governance arrangements underpins the ability to achieve the strategic aims.
<b>Internal/External regulatory/statutory reference points:</b>	OfS Terms and conditions of funding for higher education institutions and requirements for regulation up to 31 July 2019. Committee Terms of Reference CUC HE Code of Governance
<b>Strategic Risks:</b>	13 – Maintain effective and constructive governance
<b>Equality Impact Assessment:</b>	No equality or diversity issues are raised by this paper.
<b>Subject to prior and onward consideration by:</b>	By committee only.
<b>Confidential paper under FOIA/DPA:</b>	No.
<b>Timing:</b>	The Committee reviews its terms of reference, membership and effectiveness annually.
<b>Author:</b>	Sian Marshall, Assistant Registrar (Council and Governance)
<b>Date:</b>	04 June 2018
<b>Senior Management/External Sponsor:</b>	Luke Savage, Chair of Finance and Investment Committee

## **Review of Committee Effectiveness**

1. The Committee's terms of reference require a review of its effectiveness to be conducted on an annual basis. Based on feedback from Committee members, the annual online survey was replaced with individual conversations between members/attendees and the Secretary to the Committee. The findings and recommendations are detailed below.

### **Findings**

#### *Operation of the Committee*

2. The Committee is operating effectively with time focused on the most important issues. The Chair is considered to be effective in ensuring that members contribute to discussions and that there is sufficient time available for debate and challenge.
3. By asking for papers to provide headline rather than detailed information, the Committee is able to take a more strategic overview and approach and this ensures an appropriate divide between governance and management.
4. Members feel that there is considerable scope for more meaningful challenge, oversight and holding QMSE to account in relation to capital expenditure, projects and strategic initiatives. Members have concerns about the quality and timeliness of business cases, and that projects are not currently being approved with clear parameters (e.g. costs and durations) within which changes can be made before projects should be referred back to the Committee for review and approval of changes, as appropriate. Members also do not currently feel that they receive sufficient information about the reasons for delays or the impact these have on other projects and the institution.

#### *Quality and timeliness of information*

5. Members are largely satisfied with the quality of papers presented to the Committee. However, there is still scope for papers to be shorter and more focused on the key points that members need to understand and engage with.
6. Executive summaries need to be more detailed and papers should not presume a level of understanding of issues previously discussed at Council, of which co-opted members may not be aware.
7. Members would like both minutes and papers to be circulated in a more timely way; the ability of members to engage with the issues raised is affected when papers are circulated late and minutes a number of weeks after the meeting.

#### *Frequency, length and location of meetings*

8. Members are satisfied with the frequency and length of meetings.

#### *Interaction between the Committee and QMSE/other staff*

9. Members feel that interactions are both positive and professional and that the approach taken by QMSE and other staff is collaborative and transparent.

#### *Skills and experience, and succession planning*

10. Members are not always aware of succession planning activities undertaken by Governance Committee but the balance of skills and experience on the Committee is considered to be appropriate. There is scope to consider co-opting a member with

experience of estates or capital projects, this is currently being considered by the Chair and the Secretariat.

#### *Support, induction and development*

11. The support provided to members is considered to be good. There is scope to improve induction and the information provided to co-opted members to ensure they develop and maintain a good understanding of the university and the key issues considered by the Committee.

#### **Recommendations**

12. Work needs to be done to ensure that the Committee receives business cases for capital projects that are sufficiently detailed and are provided in a timely way to enable members to discharge their responsibilities effectively. The Committee may wish to consider setting parameters within which changes can be made to individual projects (e.g. costs) as part of the approval process.
13. More information should be provided to the Committee about slippage on capital projects and the impact this has on other projects and the institution.
14. The Council Secretariat will work with paper authors to ensure that papers are shorter, more focused, are tailored to the needs of Committee members and include effective executive summaries.
15. Draft minutes should be circulated to the Committee within five working days of the meeting. Papers should be circulated a minimum of one week before the meeting.
16. Existing co-opted members will be provided with a copy of the President and Principal's report to each meeting of Council to ensure they remain aware of developments internal and external to QMUL. New co-opted members will be provided with a comprehensive induction programme, including meetings with key staff and provision of key documentation.

#### **Outcome Sought**

17. Members are invited to consider the following questions in reviewing the summary of feedback and recommendations:
  - a. Are members satisfied that sufficient action is being taken or is proposed to address the issues raised?
  - b. Are there further improvements required?
  - c. Have the discussions elicited feedback that is useful or are there other topics which need to be addressed?
  - d. Should this approach to effectiveness review be continued in future?
18. Finance and Investment Committee is asked to **consider** the findings from the annual review of Committee effectiveness.

## **Finance and Investment Committee Terms of Reference 2018–19**

Finance and Investment Committee is a committee of Council, focusing on oversight of the Executive's planning and management of finance, investments and assets of Queen Mary University of London (QMUL) in their widest sense. Finance and Investment Committee has a particular remit in relation to providing advice and recommendations to Council, or reviewing/monitoring and approving on behalf of Council, in respect of the following:

### **1. Financial Strategy and Policy**

- 1.1 To recommend to Council a financial strategy for QMUL including appropriate KPIs in order to meet the objectives of the QMUL Strategy and to ensure the financial stability of the institution.
- 1.2 To approve policies on investments in respect of general and specific funds, and other funds of which the Council acts as Trustee, within such powers as are granted by the Charter.
- 1.3 To monitor performance against a fundraising strategy to be determined by the Executive and advise Council accordingly.

### **2. Budget-setting and financial forecasting**

- 2.1 To recommend to Council the annual budgets and the financial forecasts.
- 2.2 To approve accounting policy and recommend to Council the Financial Regulations and Scheme of Delegation of Financial Authority.

### **3. Financial Performance**

- 3.1 Through an agreed reporting process from the Executive, to monitor the financial situation of QMUL, both capital and revenue, and to ensure that appropriate actions are taken to safeguard the financial viability of QMUL in the short and long term.
- 3.2 To review on an annual basis the consolidated Financial Statements of QMUL, which have been subject to external audit and prior to testing by Audit and Risk Committee and adoption by Council.
- 3.3 To receive and monitor on behalf of the Council, the financial reports and accounts of the subsidiary and associated companies.
- 3.4 To monitor the financial performance and conduct of the financial affairs of the Students' Union on a periodic basis, taking into account the role played by, and views of the Students' Union Board of Trustees.
- 3.5 To monitor the financial performance of QMUL's overseas operations and partnerships.
- 3.6 To monitor and, as appropriate, undertake an assessment of the impact of QMUL's contingent liabilities and *their potential* financial impact.

#### **4. Capital Projects**

- 4.1 To approve the annual capital prioritisation plan.
- 4.2 To approve or recommend to Council business cases for capital projects in line with the Scheme of Delegation of Financial Authority.
- 4.3 To monitor the financial performance of the capital programme.

#### **5. Assets**

- 5.1 To consider proposals affecting major assets, in particular the estate, and to decide or recommend to the Council as appropriate.

#### **6. Investment and Treasury Management**

- 6.1 To approve the appointment of bankers and the provisions of the bank mandate.
- 6.2 To approve a strategy for borrowing, investment of funds and raising of monies, in line with any provisions of the Charter, Ordinances and Financial Regulations.
- 6.3 To appoint, and terminate the appointment of, investment managers and advisers and review their performance on a periodic basis against agreed targets and benchmarks.

#### **7. Committee evaluation**

- 7.1 To review the Committee's effectiveness and the suitability of its terms of reference annually.

#### **Membership of Finance and Investment Committee**

- Treasurer (ex-officio) who will be the Chair of the Committee
- Three further external members of Council
- The President and Principal (ex-officio)
- Up to three co-opted members who are external to QMUL and have relevant expertise

#### **In attendance**

- Academic Registrar and Council Secretary
- Chief Operating Officer
- Director of Finance
- Director of Estates, Facilities and Capital Development
- Investment Managers (as required)

#### **Mode of Operation**

1. Finance and Investment Committee meets at least four times per year.
2. The Committee reports to Council through submission of the minutes of each of its meetings with a coversheet highlighting the key decisions and discussions, and through an oral report by the Treasurer. Specific proposals requiring Council consideration and approval are identified in the terms of reference.

**Finance and Investment Committee  
Membership 2017–18**

**Chairman**

Treasurer

Luke Savage

**Ex-Officio member**

The President and Principal

Professor Colin Bailey

**Three external members of Council**

Dr Véronique Bouchet  
Isabelle Jenkins  
John Yard

**Up to three co-opted members<sup>1</sup>**

David Russell<sup>2</sup>

**In attendance**

Academic Registrar and Council Secretary  
Chief Operating Officer  
Finance Director  
Director of Estates, Facilities and Capital Development

Jonathan Morgan  
Laura Gibbs  
Joanne Jones  
Ian McManus

**Secretariat**

Assistant Registrar (Council & Governance)

TBC

**Papers circulated for information to:**

Hard copy to:

Archivist

Naomi Sharp

Electronically to:

Chair of Audit and Risk Committee  
QMSU President

David Willis  
Yas Yeahia

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<sup>1</sup> Not members of Council, but co-opted on the basis of expertise in a specific area.

<sup>2</sup> Second term of office expires May 2021.