

**TERMS OF REFERENCE
LONDON & SOUTH EAST EDUCATION GROUP (LSEEG) FINANCE COMMITTEE**

Constitution

1. The Committee shall comprise of a minimum of 3 and not more than 6 members, being the Principal, Chair of the LSEC Corporation, and four other eligible members. Ideally, there should be membership representation from each of the Boards of the separate legal entities that constitute the Group. These being:

London South East College Corporation (LSEC)
London Skills for Growth Board (LSfG)
London South East Academies Trust Board (LSEAT)

2. Ineligible members are the student members and members appointed to serve on the Group's Audit Committee. The Committee may invite the London South East College's Corporation's advisers or other third parties to attend meetings of the Committee as appropriate (such persons shall not have a vote but shall be entitled to speak to the meeting). The Committee can also co-opt a non-governor member to the Committee.
3. The Chair of the Committee will be selected by the London South East College (LSEC) Corporation.
4. Two external governors must be in attendance for the meeting to be quorate.
5. The Committee shall meet at least once in each academic term. Ad hoc meetings may be called as necessary in agreement with the Chair of the Committee.
6. Decisions to be made at meetings of the Committee shall be determined by a majority of the votes of members present and voting. Where there is an equal division of votes, the Chair shall have a second or casting vote.
7. In-line with agreed policy, decisions can be taken by email involving all Committee members

Terms of Reference

1. To consider and advise the LSEC Corporation, LSfG Board and the LSEAT Board on all aspects of the Group's finances, financial policies, controls and strategy.

2. To consider, review and report on the periodic management accounts of the separate legal entities within the Group
3. To review the report comparing the Annual Financial Statements with the forecast outturn for the year.
4. To discuss and recommend to the LSEC Corporation the annual income and expenditure budget and any revisions.
5. To discuss and recommend to the LSEC Corporation the annual two year financial plan prior to submission to the funding agencies.
6. To approve income and expenditure budget variations (virements) across different budget categories e.g. pay costs, of between 5% and 15% of total income. Virements above this limit require approval of the LSEC Corporation.
7. Authorise a departure from the Financial Regulations with the exception of the authorisation limits for the Finance Committee and the LSEC Corporation. Any such departure to be reported to the LSEC Corporation at the earliest opportunity,
8. To make recommendations to the LSEC Corporation concerning investment and borrowing policies.
9. To recommend to the LSEC Corporation the Property Strategy and monitor its implementation through annual updates
10. Approve increases of up to £250k in respect of total annual capital expenditure for annual re-modelling, other building works and IT/Equipment purchases. Increases above £250k require approval of the Corporation.
11. Monitor progress against major capital projects through programme and financial updates. Major capital projects will consist of all projects costing above £1m. Post project evaluations of all capital projects to be reviewed by the Finance Committee.
12. Approval of any individual debtor write offs between £75k and £100k. Bad debt write offs above this limit require approval of the LSEC Corporation.
13. Approval of individual employee severance payments between £30k and £60k for non-Senior Post Holders. Severance payments above £60k require approval of the LSEC Corporation.
14. Approval of amendments to overdraft facilities.
15. Approval of purchase contracts, orders, leases or hire purchase commitments with a value between £1m and £1.5m. Items above this limit require approval of the LSEC Corporation. Items between £500k and £999k require approval from the Principal with confirmation of any such authority being reported to the Finance Committee

16. To conduct an annual review of the Financial Regulations and to make any recommendations to the LSEC Corporation for approval during the year.
17. To monitor all aspects of pension payments and liabilities.

Reporting Procedures

1. The Clerk to the LSEC Board shall act as Clerk to the Committee. The Clerk shall circulate minutes of the meeting of the Committee to all Committee members.
2. At each meeting the minutes of the last meeting shall be taken as an agenda item, and if agreed to be accurate, signed as a true record.
3. Minutes of meetings to be made available to the Governors/Trustees of the independent Boards within LSEEG.