

**TERMS OF REFERENCE
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. There should be membership representation from each of the Independent Boards of the separate legal entities that constitute the Group.

London South East College Corporation (LSEC)
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 appointed by the London South East College (LSEC) Corporation and reviewed every two years.
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 and the LSEAT Board ("the Boards of the legal entities") 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 discuss and recommend to the Board of each legal entity the annual income and expenditure budget and any revisions.
4. To discuss and recommend to the legal entities the annual and three year financial plan prior to submission to the ESFA.

5. 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 legal entities.
6. Authorise a departure from the Financial Regulations with the exception of the authorisation limits for the Finance Committee and Independent Boards. Any such departure to be reported to the Boards of the legal entities at the earliest opportunity,
7. To make recommendations to the Boards of the legal entities concerning investment and borrowing policies.
8. To recommend to the Boards of the legal entities the Property Strategy and monitor its implementation through annual updates
9. To recommend to the Boards of the legal entities expenditure increases for annual capital expenditure for annual remodelling, other building works and IT Equipment purchases, in accordance with the Financial Regulations for each legal entity.
10. Authorise the disposal of assets in accordance with the Financial Regulations for each legal entity.
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 must be made in accordance with the Financial Regulations of each legal entity. Bad debt write-offs above this limit require approval of the Boards of the legal entities.
13. Approval of amendments to overdraft facilities.
14. Approval of purchase contracts, orders, leases or hire purchase commitments in accordance with the financial regulations.
15. To conduct an annual review of the Financial Regulations and to make any recommendations to each legal board for approval during the year.
16. To monitor all aspects of pension payments and liabilities.

Reporting Procedures

1. The Clerk to the Board of the legal entities 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 or a summary of the meeting to be made available to the Governors/Trustees of the independent Boards within LSEEG.