



FINANCE COMMITTEE

Terms of Reference

Establishment

The Board of Governors has established a committee of the Board of Governors known as the Finance Committee.

Membership & Attendance

Members of the Finance Committee shall be appointed by the Board of Governors. In accordance with Article 33 of CDD's Articles of Association, the membership of the Finance Committee shall be limited to individuals who are Independent Governors of CDD. Membership of the Finance Committee shall include at least three Independent Governors. The Committee may also include such other members as required to responsibly conduct its business.

The Head of Institution and the Head of Finance of the Conservatoire shall attend all meetings of the Committee, but neither shall be a member.

Only members of the Committee have the right to attend Committee meetings. Nominated, Staff or Student Governors may be invited to attend from time to time but shall not be considered as members of the Finance Committee. Members of staff and/or Principals of CDD member schools may be invited to attend for all or any part of any meeting of the Committee from time to time, and to provide such information and reports as the Committee may request in order to comply with its obligations.

Individuals who are not members of the Committee may be asked to leave the room before discussion of any confidential matters or matters where there may be a conflict of interest.

Chair

The Chair will be appointed by the Board of Governors upon the recommendation of the Committee and confirmation by the Nominations Committee that they have the requisite skills and expertise to serve in such capacity.

Members of the Committee may appoint from the membership of the Committee a deputy chair.

Secretary

The Committee is serviced by the Conservatoire Secretary.

Quorum

Any meeting of the Committee will be quorate when at least two Independent Governors are present.

Frequency of meetings

The Committee shall meet at least three times a year.

Notice of Meetings

Meetings of the Committee shall be called by the Secretary at the request of the Chair of the Committee.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with the agenda of items to be discussed, shall be forwarded to each member of the Committee, and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

Minutes of Meetings

The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

Remit

The Committee is authorised by the Board of Governors to investigate any activity within its terms of reference, whilst taking into account the current strategic direction to pursue a solvent winddown of the Conservatoire higher education registration, charity and company.

Duties

The Committee shall oversee, on behalf of the Board, the key financial risks of CDD and its schools. Subject to any general or specific direction that may be given from time to time by the Board, the Finance Committee is charged by the Board to:

1. Scrutinise and recommend the following matters for approval to the Board:
 - financial strategy and policies, considering the Conservatoire's strategy as determined by the Board;
 - annual income and expenditure budget for forthcoming year, and any cash flow or capital expenditure;
 - annual Financial Statements;
 - Annual Accountability Return (in conjunction with Chair of Audit);
 - appointment of bankers;
 - other financial matters pertaining to CDD and/or the schools including loans and advances;
 - guarantees involving a material financial liability;
 - writing off material losses or deficiencies in money or stores, irrecoverable debts or overpayments, and disposal of obsolete equipment;
 - the establishment or revision of regulations relating to any of the matters within these terms of reference.

2. Review and monitor (and where appropriate report to the Board on):
 - actual income and expenditure and cash flow for current year;
 - the projected financial outturn for the year compared to budget;
 - long term forecasts of income, expenditure and capital as submitted to the OfS or as otherwise required;
 - the financial risks to the Conservatoire and its schools, together with the financial implications of non-financial risks, and performance against the associated risk management plans;
 - financial forecasting of the Conservatoire and its schools and the monitoring of performance against these forecasts;
 - needs for a capital expenditure programme, and proposals received for recommendation accordingly;
 - funding, banking and other financing arrangements, including the operation of the bank mandate and overdraft facilities;
 - whether appropriate funding is in place, including arrangements for short-term and long-term borrowings for capital projects or other purposes;
 - the setting of regulated tuition fees, on the advice of the Head of Institution;
 - the policy relating to insurances (which includes guidance on the level and scope of insurance) and their costs;
 - the policy relating to estates management (which takes account of CO2 reporting to OfS);
 - requirements announced by OfS as affecting the Conservatoire's business;
 - other regulatory and financial requirements (e.g., scholarships, fee rebates, WP costs, etc.);
 - the operation of Financial Regulations and Procedures.

3. Advise Conservatoire officers and staff upon and consider matters set out in 1 and 2 above and including (but not limited to):
 - proposals for draft budgets and forecasts;
 - funding, banking and other financing arrangements;
 - proposed capital projects and other major commitments;
 - other proposed orders, contracts and financial commitments reflecting thresholds set out in the *Scheme of Delegation/Financial Procedures* as updated from time to time.
 - the financial risks to the Conservatoire for Dance and Drama, together with the financial implications of non-financial risks, and monitor performance against the associated risk management plans;
 - the suitability of Financial Procedures;
 - regulatory requirements and practice including in relation to health and safety, estates management, and insurances.

4. Liaise with:

- Audit Committee on financial controls and risk management;
- Nominations Committee and Remuneration Committee with respect to review of those elements of the annual budget that relate to remuneration within the terms of reference for Nominations Committee and Remuneration Committee.

Reporting Procedures

The Chair of the Committee will report to the Board in writing on the Committee's proceedings after each meeting on all matters within its duties and responsibilities. Written reports will be circulated to all members of the Board of Governors.

The Committee shall make whatever recommendations to the Board it deems appropriate on any matter within its remit where action or improvement is needed.

The Committee shall also produce a report on its activities to be included in the Conservatoire's annual report. Such report shall include details of the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Conservatoire or any of its Governors or Members. The report should also include a statement of the Board's policy on diversity, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

Other Matters

The Committee shall:

1. Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary and Clerk for assistance as required;
2. Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
3. Give due consideration to laws and regulations, the provisions of the Higher Education Code of Governance (CUC; 2020) and any other applicable rules, as appropriate;
4. Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness; and
5. Recommend to the Board for approval any changes to the Committee's remit or membership it considers necessary to improve or enhance its effectiveness.

Authority

The Committee is authorised by the Board to obtain, at the Conservatoire's expense, outside legal or other professional advice on any matters within its terms of reference.

Approved: December 2021