

Finance and General Purposes Committee Annual Report 2022/23

Introduction

This report covers the academic year 2022/23 of the East Coast College's Finance and General Purposes Committee.

The Code of Good Governance state that:

The Search committee should produce an annual report, which describes the work of the committee, including the Board's recruitment policy and practices, a description of its policy on equality and diversity and any measurable objectives that it has set together with progress in their implementation. If there is not a separate report then the college's annual report should cover these areas.

It was agreed by Corporation that this remit should be expanded to include an annual report for all Committees and that this should be published.

Membership

Members who served on the East Coast College Finance and General Purposes Committee during the 2022/23 period were:

Attendance

Ian Lomax (Cttee Chair and Independent Governor)	4/4
Mike Dowdall (Independent Governor)	4/4
Stuart Rimmer (CEO and Governor)	4/4
David Blake (Corp Chair and Independent Governor)	3/4
David Cole (Associate Governor)	3/4

This gave an overall attendance of 90%, which was above the Corporation's 80% target.

The Committee met on 4 occasions, 29/11/22, 14/3/23, 5/6/23 and 28/6/23 all of which were quorate. The 5/6/23 meeting was a joint one with the People Committee.

The Committee was chaired from the March 2022 meeting by Ian Lomax who will continue to Chair in 2023/24. The November 2022 was chaired by David Blake who acted as an Interim Chair until an appointment was made.

As part of the Corporation's recruitment and succession plan, two new members have been appointed to the Committee in 2023/24.

The Committee was clerked during the year by the Director of Governance, Wendy Stanger.

A copy of the Committee's terms of reference are included at appendix 1, these were reviewed at the June 2023 meeting and the revised version adopted by the

July 2023 Corporation. These included adding that the Committee would have due regard to managing public money and clarified that its objectives were:

The Finance and General Purposes Committee has overall responsibility, on behalf of the Corporation, for the conduct of the College's financial affairs and for any other matters delegated by the Corporation.

The Committee's advice and decisions shall be directed to the protection and enhancement of the College's assets, the best use of its income to meet the objects of the College and to ensure the solvency of the College

Risk Management

At every meeting the Committee received the Tactical Risk Register relating to its role and reviewed it in line with the Audit Committee's set questions. These are:

1. Has the risk register been reviewed?
2. Is the Committee content that the risks are relevant and are being updated?
3. Is the Committee content that the risks are being mitigated?
4. Where there is a red risk, is the Committee assured that appropriate action is being taken?
5. Where does the Committee have significant concerns?

During 2022/23, the Committee put in place appropriate mitigation for managing its risks. Where additional risks have been identified these have been added along with the appropriate mitigation and have been scored and compared with the agreed risk appetite. New risks added in 2022/23 included a fraud related risk following work with RSM.

Deputy Chief Executive's Report

A Deputy Chief Executive's report was introduced in 2022/23 to give the Committee an update on the College areas that the Deputy Chief Executive manages.

Budget, Commentary and Management Accounts

The Committee reviewed the proposed budget and commentary before recommending it to the Board for adoption. This was then reviewed in the year at each Committee meeting through the management accounts and financial forecast.

Between meetings the management accounts are shared through the Governor portal. These have been further developed in year to give the Committee the information it needs for its financial oversight.

Financial Benchmarking

To better understand the College's financial position the Committee considered the College's financial position benchmarked against regional colleges. This included income, staff costs, borrowing, EBITDA, cash, current ratio, Asset Sale /Capital Grant, Net Capital Investment and Loan repayments and Interest. This concluded that the

College was in an average position financially and was negatively affected by the cost of its debt servicing.

Health and Safety

The Committee's Chair is also the Governor Lead for Health and Safety and sits on the College's internal Health and Safety Committee.

The Committee receives and reviews termly and annual Health and Safety updates and the Governor Lead updates on the work that he has carried out.

Pay Review

The Committee reviewed the proposed revised College's pay review and scales at its November 2022 meeting and at its joint meeting with the People Committee in June 2023. Recommendations were made to the Board about the affordability of a pay award and the budget commentary was updated.

In addition, the Committee has recommended a revised utilities package to the Board, reviewed policies and procedures and the implications of reclassification.

Self-Assessment

As part of the Corporation's self-assessment, committee members carry out an annual review of the Committee. This is included at appendix 2. This concluded that the Committee is generally working well but that there are areas for improvement. These improvements include:

- Committee's skills mix - being addressed through recruitment, with an independent and associate governor appointed and ongoing recruitment.
- Financial reporting – being addressed through the benchmarking, more timely production of the management accounts and the College's KPI reporting.
- Working with other committees – being addressed through joint meetings with the People Committee and the Audit Committee.
- External critical friend – being addressed through an External Board Review which includes observing the Committee.

Conclusion

The Committee met its terms of reference and remit in 2022/23 with areas of strength in its financial oversight and areas that require development. The Committee's work was and will continue to be the financial sustainability of the College.

Appendix 1 – Finance and General Purposes Committee's Terms of Reference
Appendix 2 – Finance and General Purposes Self-Assessment 2023/24

APPENDIX 1 EAST COAST COLLEGE FINANCE AND GENERAL PURPOSES COMMITTEE TERMS OF REFERENCE

Objective

The Finance and General Purposes Committee has overall responsibility, on behalf of the Corporation, for the conduct of the College's financial affairs and for any other matters delegated by the Corporation.

The Committee's advice and decisions shall be directed to the protection and enhancement of the College's assets, the best use of its income to meet the objects of the College and to ensure the solvency of the College

Introduction

The Finance and General Purposes Committee is a committee of East Coast College Further Education Corporation and as such its actions are open to scrutiny and approval by the full Corporation.

The Corporation and its Committees at all time will have due regard to the Seven Principles of Public Life and the requirements of the guidance set out in HMT's 'Managing Public Money.'

Delegation does not absolve the Corporation from accountability for the conduct and decisions of its committees. The Corporation remains responsible for the proper conduct of the College for undertaking its duties under the instruments and articles of government and for complying with the other legislation to which it is subject.

The Terms of Reference of the Committee may be varied at any time by agreement of the Corporation.

The Committee and the Corporation will have at the heart of its work the College's Strategic Plan and Accountability statement and will demonstrate through its meetings and decision making:

Our Purpose

- To transform individuals and build communities through education.

Our Values

- Aspirational – Being supportive, exploring potential and challenging ourselves daily.
- Respectful – Acting with compassion, being inclusive, and welcoming others in our learning community and to our environment.
- Professional – Putting team first, acting with integrity, developing our expertise and having a focused work ethic.
- Successful – Determining our ambition, achieving excellence and continually raising standards.

1. Membership

Not fewer than four independent members of the Corporation plus the Principal/Chief Executive and up to 2 Associate Governors.

Staff and Student governors are eligible to be members.

Members of the Finance and General Purposes Committee shall not serve on the Audit Committee.

In the absence of the Chair, the members attending the meeting shall select one of their number to 'Chair' that meeting.

Persons who are not members of the Corporation but are deemed to have the skills required to enhance the responsibilities of the committee may be appointed as Associate Governors on the Committee but may not hold the position of Chair.

2. Terms of Office

Members shall normally serve for a period of two academic years and shall be eligible for re-appointment thereafter.

3. Appointment of Chair

The Chair of the Committee shall be appointed by the Corporation and shall normally serve for a period of two academic years and shall be eligible for re-appointment thereafter.

4. Quorum

A quorum shall be one third (rounded up) of the appointed members which includes Associate Governors, subject to a minimum of 2 independent governors who are members of the Corporation being present.

5. Clerking

The Director of Governance shall act as Clerk to the Committee.

6. Frequency of Meetings

Meetings shall normally be held a minimum of four times a year.

7. Attendance at Meetings

The Deputy Chief Executive shall normally attend and speak at all meetings of the Committee (they will have no voting rights).

Senior managers shall attend and speak at meeting of the Committee where business relevant to them is being discussed or where their attendance has been requested by the Committee (they will have no voting rights).

The Committee may invite the Corporation's advisers or other third parties to attend meetings of the Committee where business relevant to them is being discussed or where their attendance has been requested by the Committee (they will have no voting rights).

Other Corporation members shall have the right of attendance and where agreed by the Committee to participate, but not to vote

The Principal/Chief Executive shall withdraw from meetings if requested to do

so.

Staff and Student Governors, who are members of the Committee shall withdraw from meetings if requested to do so.

8. Reporting Procedures

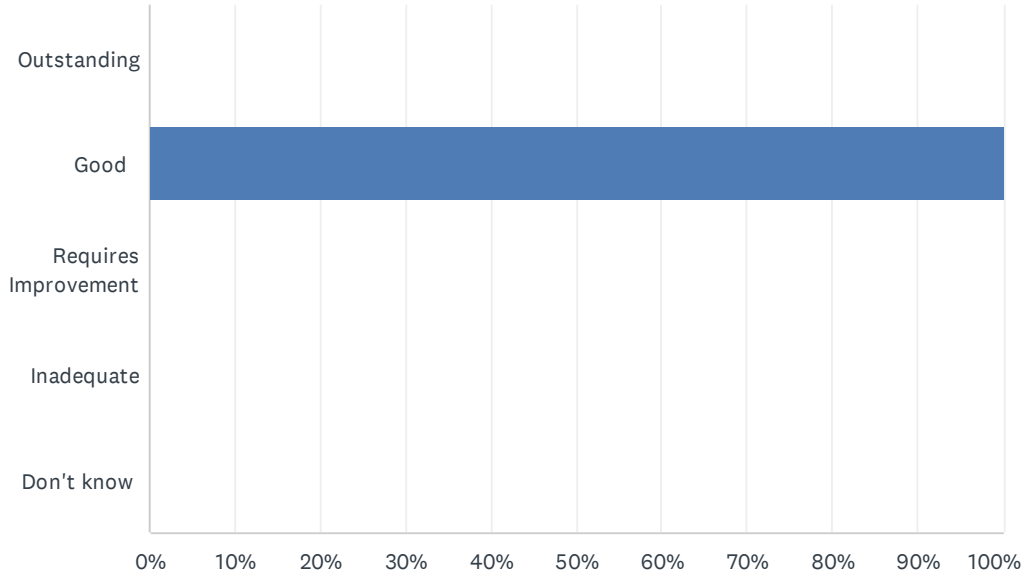
The Chair of the Committee shall present a summary report of the Committee's proceedings at the subsequent Corporation meeting and the minutes and action log of the meeting will be circulated to the Corporation.

9. Purpose of the Committee	Delegation
<p>Finance</p> <p>1. Consider any matters relating to finance and assets/liabilities, including making recommendations to the Corporation on:</p> <ul style="list-style-type: none"> • Budgets and Forecasts • Capital expenditure requirements including loans • The financial implications of major building projects, major repairs and renewal projects, acquisitions and disposals of land and buildings • Major variances of income and expenditure • Financial forecasts • Monitoring of the management accounts • Review of the cash flow and forecasts • The review of key financial performance indicators 	<p>Recommend to Corporation</p>
<p>2. Review the audited annual accounts financial statements and recommend them for approval to the Corporation</p>	<p>Recommend to Corporation</p>
<p>3. To Consider, monitor and advise the Corporation on all aspects of the Corporation's finances, financial policies, controls and strategy ensuring the efficient use of resources, the solvency of the institution and the safeguarding its assets.</p>	<p>Report to Corporation</p>
<p>4. Make recommendation for approving those organisations with which the College will maintain investments and loans in order to support high quality and innovative learning. The Committee will receive periodic performance reports for any invested funds and at least an annual statement of the terms and key covenants of all loans.</p>	<p>Recommend to Corporation</p>
<p>5. To review any prospective increase to the net expenditure total or any major shift in resources required by changing circumstances. The Committee and/or its Chair shall decide on any report required to the Corporation.</p>	<p>Dependent on level – consistent with Finance Regulations</p>
<p>6. To review, periodically, the College's Estates Strategy to ensure consistency with the College's Strategic Plan and to advise the Corporation on its property holdings including acquisitions and disposals of sites and buildings.</p>	<p>Dependent on level – consistent with Finance Regulations</p>

7. To consider and advise on capital investment proposals, evaluate financial appraisals on items referred to it and review and make recommendations to the Corporation regarding investment and borrowing programmes.	Dependent on level – consistent with Finance Regulations
8. Annually to review and recommend for approval, the Financial Regulations, Tuition Fees and any other financial policy that requires governance approval and ensure that they are in line with the College's agreed strategic aims and objectives.	Recommend to Corporation where required
9. To advise and make recommendations to the Corporation on the procurement, where needed, of external specialist services relating to the management of the College's physical assets with due regard to the Financial Regulations.	Dependent on level – consistent with Finance Regulations
Health and Safety 1. To consider, monitor and advise the Corporation on all matters connected with Health and Safety	Recommend to Corporation where required
2. To receive, review and monitor the annual report on Health and Safety.	Recommend to Corporation
General 1. Review all College Strategies that relate to financial issues.	Recommend to Corporation where required
2.To monitor and review risk management for those areas that are the responsibility of the Committee.	Report to Audit
3.To consider any other specific issues referred to the Committee by the Corporation and report their findings and recommendations back to the Corporation.	Recommend to Corporation where required

Q2 Finance and General Purposes committee's terms of reference are fit for purpose (see the Governance Portal's resources section Standing Orders)How good are we at this?

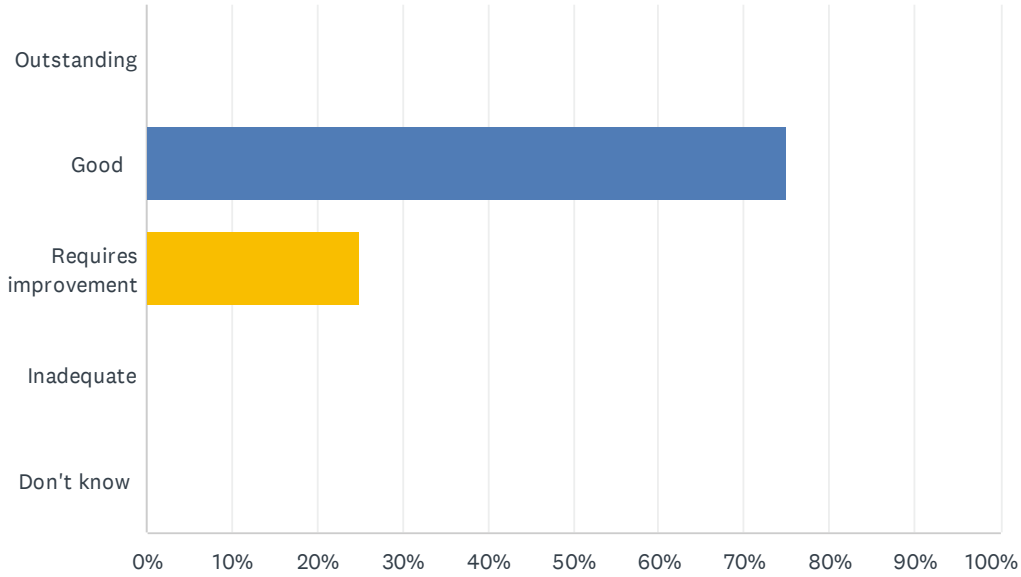
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ANSWER CHOICES	2022	RESPONSES	
Outstanding	20%	0.00%	0
Good	80%	100.00%	4
Requires Improvement		0.00%	0
Inadequate		0.00%	0
Don't know		0.00%	0
TOTAL			4

Q3 The Finance and General Purposes committee’s mix of skills and experience enables it to effectively fulfil its role (Code of Good Governance)How good are we at this?

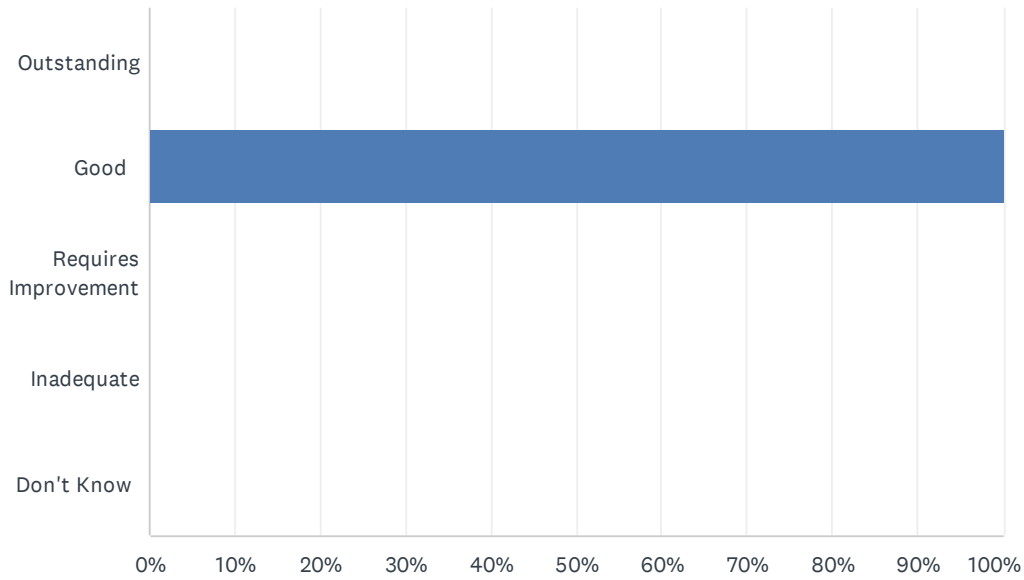
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ANSWER CHOICES	2022	RESPONSES	
Outstanding		0.00%	0
Good	60%	75.00%	3
Requires improvement	20%	25.00%	1
Inadequate	20%	0.00%	0
Don't know		0.00%	0
TOTAL			4

Q4 The Finance and General Purposes Committee know the strengths and weaknesses of the College's finances (Governance Guide and Code of Good Governance)How good are we at this?

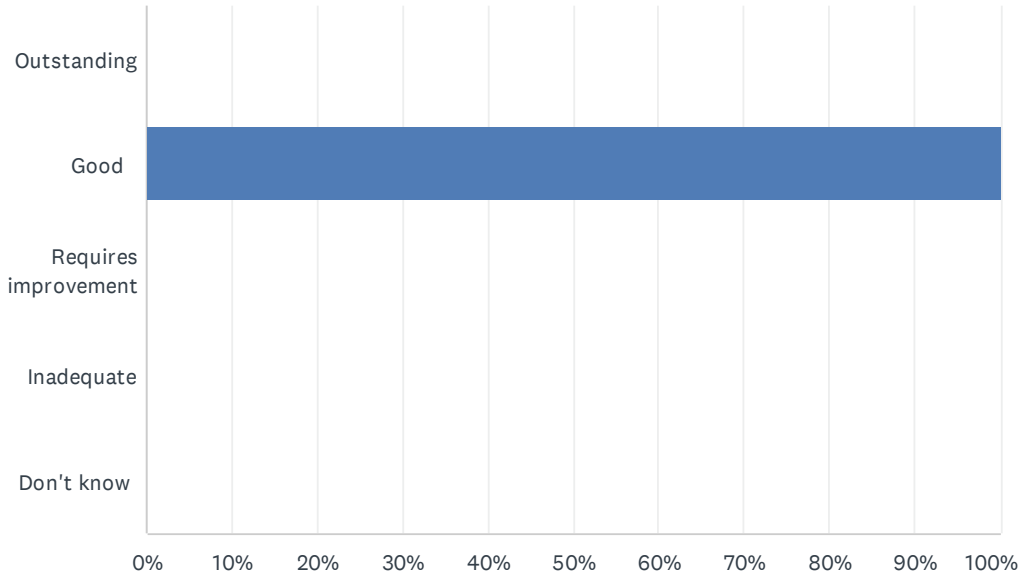
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ANSWER CHOICES	2022	RESPONSES	
Outstanding	40%	0.00%	0
Good	60%	100.00%	4
Requires Improvement		0.00%	0
Inadequate		0.00%	0
Don't Know		0.00%	0
TOTAL			4

Q5 The Finance and General Purposes Committee has recommended a financial strategy including budgets which are compatible with the duty to ensure sustainability and solvency of the college. (Code of Good Governance)How good are we at this?

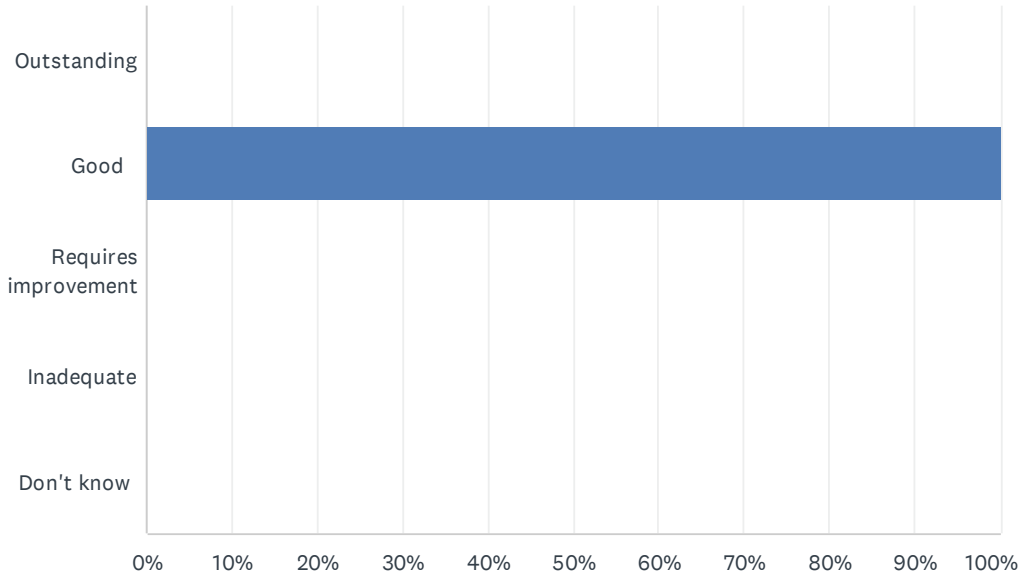
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ANSWER CHOICES	2022	RESPONSES	
Outstanding	20%	0.00%	0
Good	60%	100.00%	4
Requires improvement	20%	0.00%	0
Inadequate		0.00%	0
Don't know		0.00%	0
TOTAL			4

Q6 The Finance and General Purposes Committee has ensured that the College has appropriate financial regulations with documented delegations and procedures that are regularly reviewed (Code of Good Governance and Governance Guide)How good are we at this?

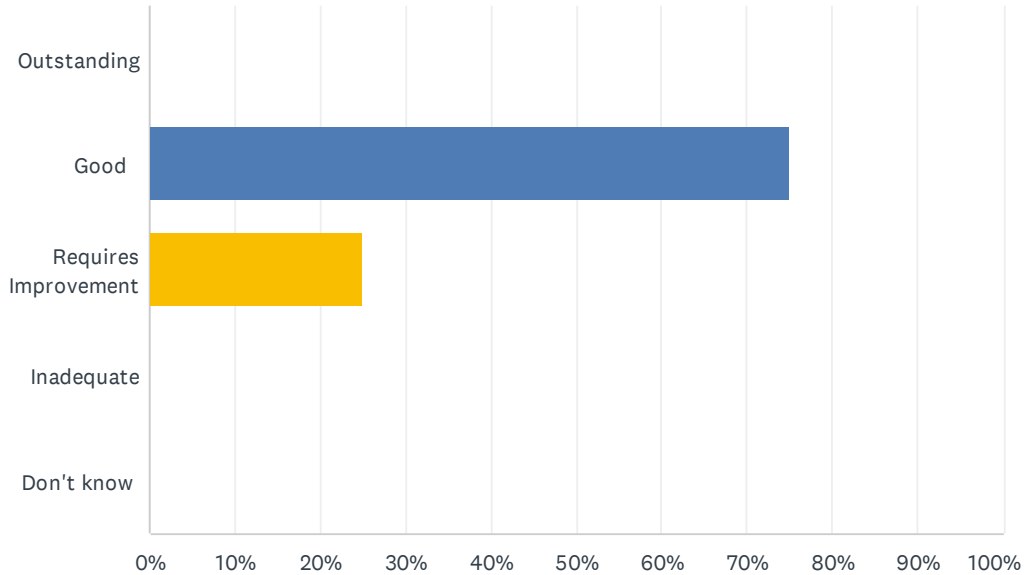
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ANSWER CHOICES	2022	RESPONSES	
Outstanding	20%	0.00%	0
Good	60%	100.00%	4
Requires improvement	20%	0.00%	0
Inadequate		0.00%	0
Don't know		0.00%	0
TOTAL			4

Q7 The Finance and General Purposes committee has confidence in the arrangements for the provision of accurate and timely financial information and receives up to date, concise and relevant financial data (Governance Guide and Code of Good Governance)How good are we at this?

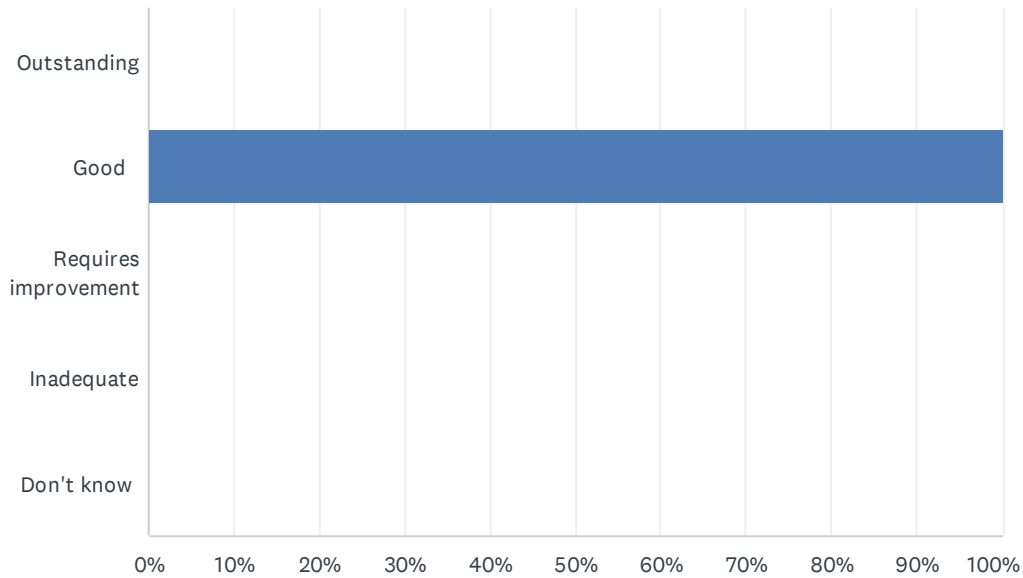
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ANSWER CHOICES	2022	RESPONSES	
Outstanding		0.00%	0
Good	80%	75.00%	3
Requires Improvement	20%	25.00%	1
Inadequate		0.00%	0
Don't know		0.00%	0
TOTAL			4

Q8 Finance and General Purposes Committee monitors financial performance using key performance indicators (Governance Guide and Code of Good Governance)How good are we at this?

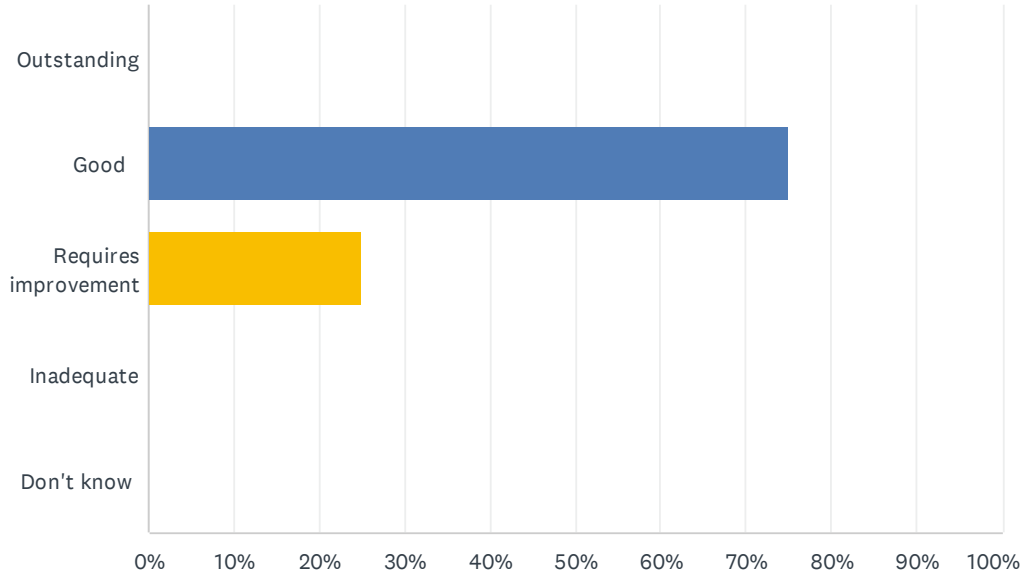
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ANSWER CHOICES	2022	RESPONSES	
Outstanding	20%	0.00%	0
Good	80%	100.00%	4
Requires improvement		0.00%	0
Inadequate		0.00%	0
Don't know		0.00%	0
TOTAL			4

Q10 Finance and General Purposes related risks are adequately identified, monitored and mitigated (Standing Orders and Governance Guide)How good are we at this?

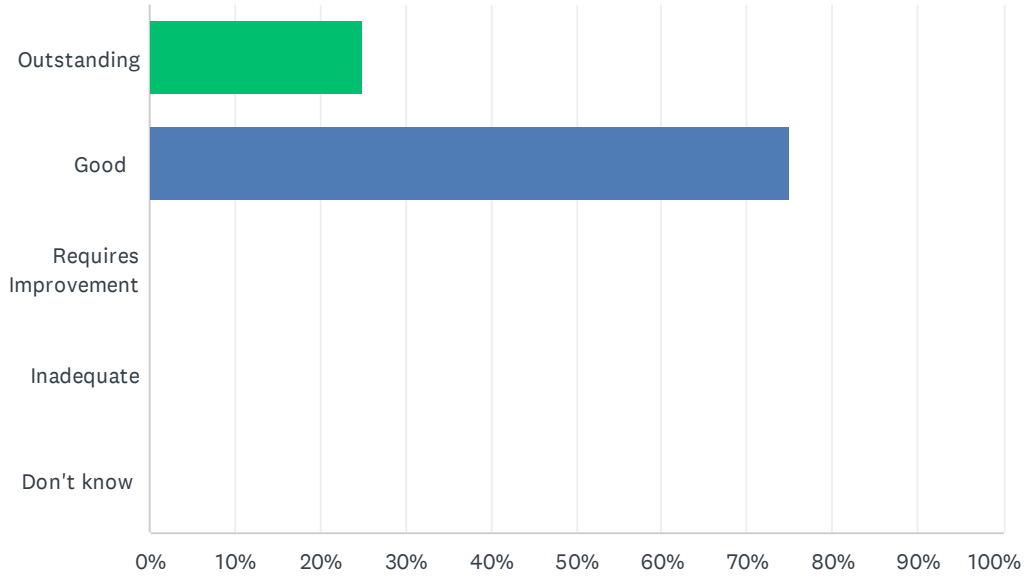
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ANSWER CHOICES	2022	RESPONSES	
Outstanding	40%	0.00%	0
Good	60%	75.00%	3
Requires improvement		25.00%	1
Inadequate		0.00%	0
Don't know		0.00%	0
TOTAL			4

Q11 The Committee monitors and advises the Corporation on all matters connected with Health and Safety. (Code of Good Governance)How good are we at this?

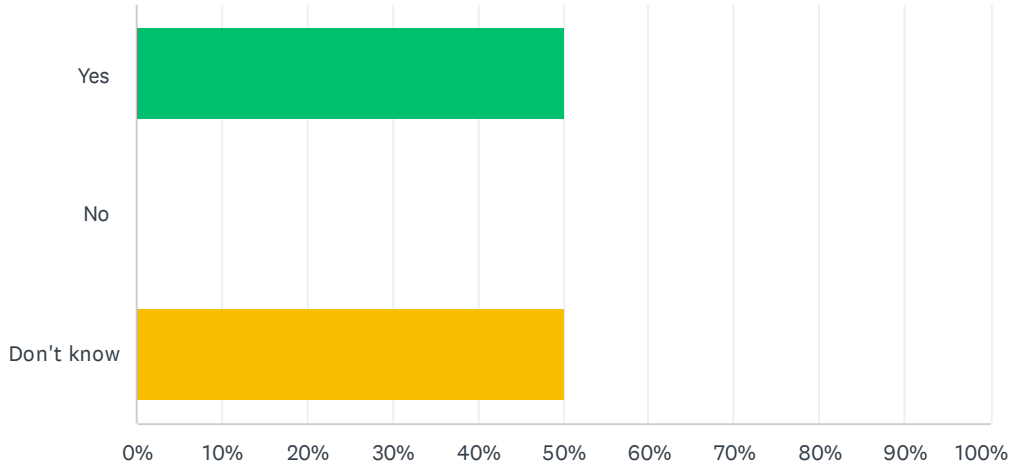
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ANSWER CHOICES	2022	RESPONSES
Outstanding		25.00% 1
Good	80%	75.00% 3
Requires Improvement		0.00% 0
Inadequate		0.00% 0
Don't know	20%	0.00% 0
TOTAL		4

Q12 The committee receives appropriate updates and training (Code of Good Governance and Governance Guide)

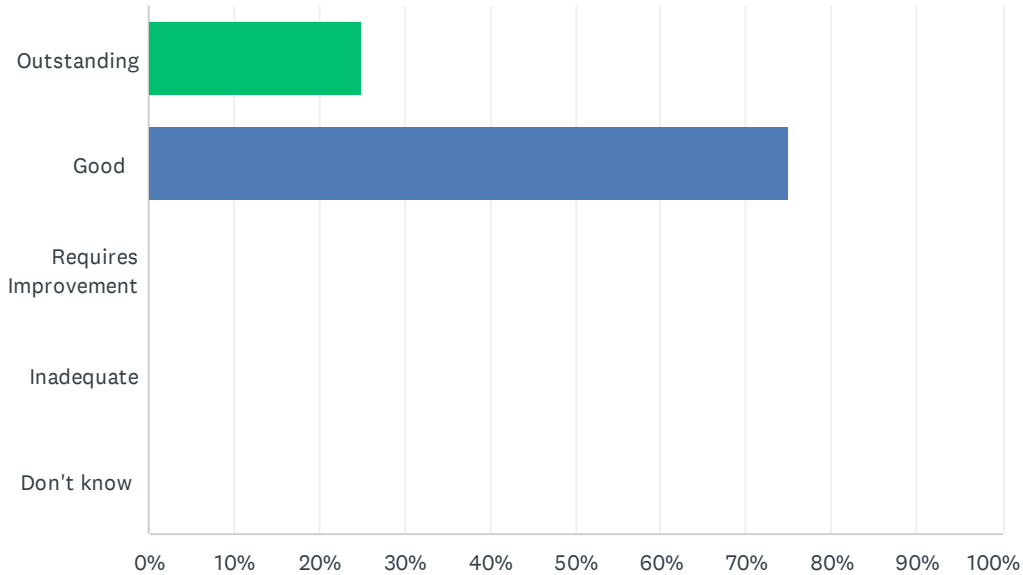
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ANSWER CHOICES	2022	RESPONSES	
Yes	80%	50.00%	2
No		0.00%	0
Don't know	20%	50.00%	2
TOTAL			4

Q16 Section 2 Committee ChairThe Finance and General Purposes Committee Chair chairs meetings effectively and efficiently, bringing impartiality and objectivity to the decision making process. (Standing Orders)How good is he at this?

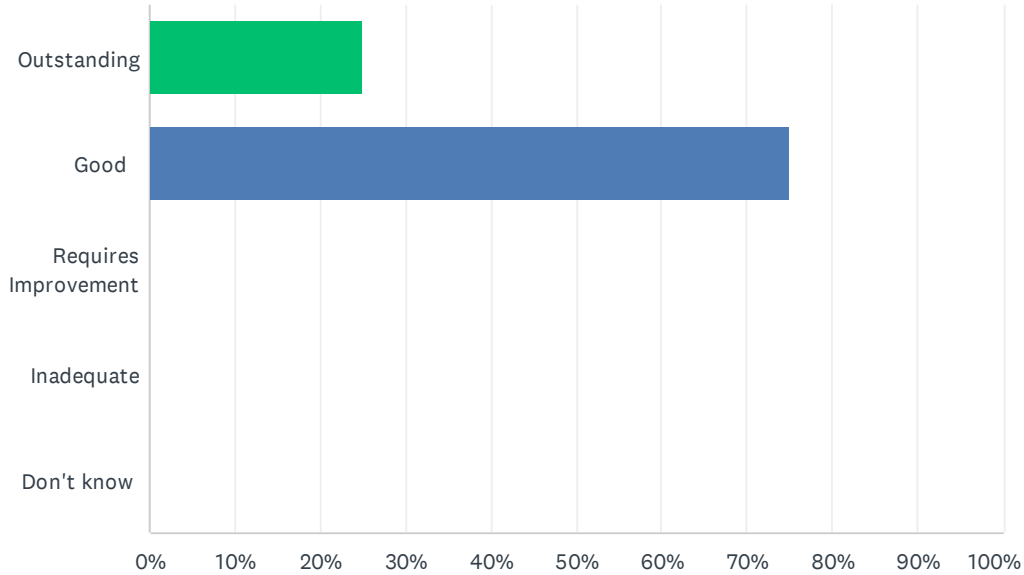
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ANSWER CHOICES	2022	RESPONSES	
Outstanding	40%	25.00%	1
Good	40%	75.00%	3
Requires Improvement	20%	0.00%	0
Inadequate		0.00%	0
Don't know		0.00%	0
TOTAL			4

Q17 The Finance and General Purposes Committee Chair ensures that Governors are fully engaged on the Committee and all can contribute to its work (Standing Orders)How good is he at this?

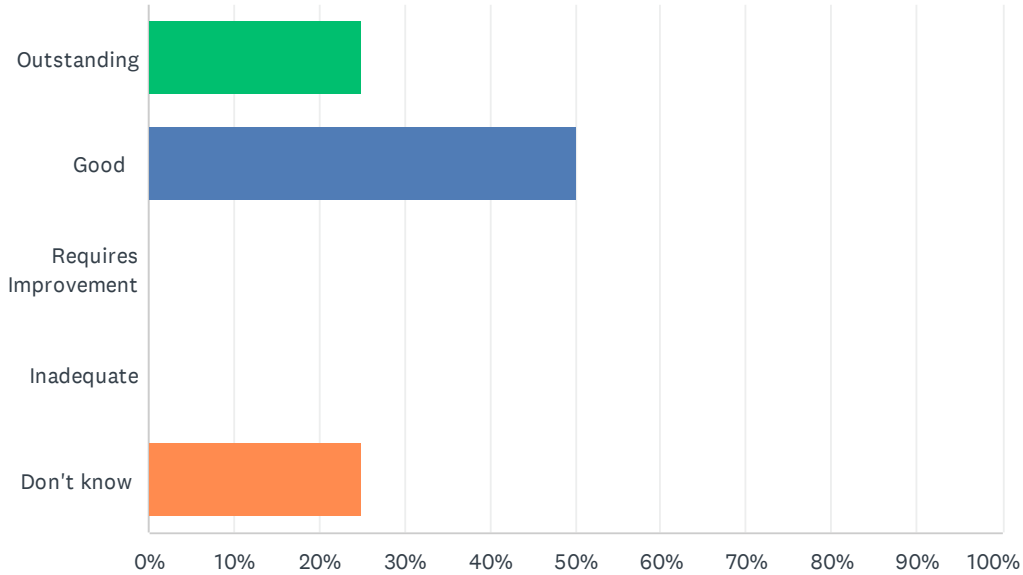
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ANSWER CHOICES	2022	RESPONSES
Outstanding		25.00% 1
Good	100%	75.00% 3
Requires Improvement		0.00% 0
Inadequate		0.00% 0
Don't know		0.00% 0
TOTAL		4

Q18 The Finance and General Purposes Committee Chair is an effective leader of the Committee How good is he at this?

Answered: 4 Skipped: 0



ANSWER CHOICES	2022	RESPONSES	
Outstanding	40%	25.00%	1
Good	60%	50.00%	2
Requires Improvement		0.00%	0
Inadequate		0.00%	0
Don't know		25.00%	1
TOTAL			4