

FINANCE COMMITTEE CHARTER

FINANCE COMMITTEE - CHARTER

1. Establishment

- 1.1 There shall be a Finance Committee (*'the Committee'*) reporting to the Council. The establishment of this Committee is under Division 2, Section 11 of the JCU Act 1997. The Finance Committee was first established as an Interim Committee of Council on 20 April 1970; it became an ad hoc Finance Advisory Committee on 30 April 1971 and was formally established as a Committee of Council on 1 July 1971.
- 1.2 The purpose of this charter is to outline the role, responsibilities, composition and operating guidelines of the Committee in accordance with the James Cook University Act 1997, Financial Accountability Act 2009, the Financial and Performance Management Standard 2009, other relevant legislation and other appropriate University Policies and Procedures and has been approved by the Council of James Cook University.
- 1.3 The Charter will be reviewed annually by the Committee to ensure it remains consistent with the Committee's authority, objectives and responsibilities. The Committee or Chairperson may propose to Council, following that review and from time to time, amendments to this Charter for approval.

2. Authority, Independence and Relationships

- 2.1 The Committee has no executive powers, unless delegated to it by the Council of the University.

The Finance Committee is a Committee of the University and is directly responsible to the Council of the University. In discharging its responsibilities the Committee has the authority to:

- Conduct or authorise investigations into matters within its scope of responsibility.
- Access information, records and personnel of the University for such purpose.
- Request the attendance of any employee, including executive staff, at Committee meetings.
- Conduct meetings with any relevant academic divisions/divisions/directorates, as necessary.
- Seek advice from external parties and independent experts, as necessary, which the Committee reasonably considers necessary to execute its duties and responsibilities; obtaining the necessary funding approvals through Council should this be necessary.
- The Committee shall liaise with other Committees of Council as required, to ensure:
 - its statutory and operational responsibilities are met;
 - there is no material overlap between the functions and duties of the groups; and
 - frank and meaningful interchange of information.

3. Purpose, Functions, Duties and Responsibilities

- 3.1 The purpose of the Committee is to:

- (a) Assist the Council in fulfilling its responsibilities relating to the financial affairs, investments, estate and controlled entities of the University.

- 3.2 The Committee shall:

- (a) perform the duties and responsibilities specified in Schedule A;
- (b) act on behalf of the Council on such other matters as are delegated to it from time to time by the Council;
- (c) advise the Council on such other matters that are within its duties and responsibilities (Schedule A), as referred by the Council or as it deems appropriate.

4. Membership

- 4.1 The Committee shall comprise the following members:

- (a) ex officio

- (i) Chancellor
- (ii) Vice Chancellor
- (iii) Deputy Vice Chancellor, Services and Resources

- (b) Appointed – by the Council

Up to four members appointed by and from the Council whose appointment shall be based on their appropriate skills and/or experience in relation to the business conducted by the Committee.

- (c) Additional

Council shall have the power to co-opt two additional members external to the University who has the appropriate skills and/or experience in relation to the business conducted by the Committee.

- (d) The Committee should include at least one member who is a professional accountant but shall be neither a member of staff nor a student of the University.

The Council shall appoint the members referred to in clause (b) at the first meeting of the Council after the Council has been appointed from time to time in accordance with the Act.

- 4.2 The Chairperson shall be appointed by the Council from its members and the Committee shall have a Deputy Chairperson elected by the Committee. At its first meeting after its appointment, and thereafter whenever a vacancy occurs in the office, the Committee shall elect a Deputy Chairperson. The Chairperson and Deputy Chairperson shall be neither a member of staff nor a student of the University.
- 4.2 Co-opted and Additional members shall have appropriate qualifications/experience and may be from within or outside the University. Appointments including appointments of co-opted and additional members, which shall be recorded in a membership list for appending to the Charter, shall be until their successors are appointed or until they resign from the Committee or as Council members cease to be members of the Council.
- 4.3 Before appointing a member, the Committee shall:
- (a) undertake consultation as appropriate; and
 - (b) give consideration to the principle that members shall be not entirely of the same gender or from the same campus.
- 4.4 Any person assuming a role in Committee business on behalf of another person as a consequence of an acting or nominee arrangement (e.g. acting as the *ex officio* member, Deputy Chairman assuming chairmanship) shall as far as practicable consult and report through that other person.
- 4.5 Attendance by others at Meetings - the Committee or its Chairperson may invite other persons internal to the University, as required for the purposes of the Committee, to attend meetings as advisors.
- The following internal advisors shall be invited to attend meetings and shall have rights of audience and debate:
- (i) Director, Financial and Business Services
 - (ii) Independent Advisors as required

5. Secretariat

- 5.1 The University Secretary or nominee shall be the Secretary to the Committee. There may be an Assistant or Minutes Secretary to assist the Secretary and to take minutes.
- 5.2 The Secretary, in consultation with the Chair, will prepare and send notices of meetings, agendas, will accurately transcribe all decisions of the Committee and table all correspondence, reports and other information relevant to the Committee's activities and operations. The University Secretariat shall provide the resources necessary for the performance of the Committee.

6. Convening a Meeting

- 6.1 The Committee shall meet as often as necessary in order to perform its functions. It is recommended that the Committee meet a minimum of four times per year and the schedule of meetings will be agreed in advance, however the number of meetings may vary in accordance with the volume of business that falls within the remit of the Committee.
- 6.2 Meetings shall be convened by either the Chairperson or the Secretary and the Secretary shall send a notice of meeting in reasonable time to all members of the Committee. For the purposes of accountability and meeting efficiency, all meetings shall be run according to a pre-determined agenda with items presented under an item coversheet that clearly identifies the recommended action.
- 6.3 The Committee should determine its own agenda, ensuring appropriate consultation to include emerging issues and emphasis on the most significant risks and threats. Proposals for agenda items from Committee members are to be submitted to the Secretary for consideration by the Chairperson for inclusion on the agenda. The Chairperson, in consultation with the Secretary, shall determine the agenda. The agenda and relevant papers will be distributed to members at least five working days before the meetings.
- 6.4 The Committee may appoint sub-committees and working parties to report to the Committee on specific matters which are the responsibility of the Committee. The majority of members of any sub-committee or working party must comprise members of the Committee.

The Committee has established the following sub-committee:

- Estate Sub-Committee

7. Conduct of Meeting

- 7.1 Except as hereinafter provided the Chairperson shall preside at all meetings of the Committee. If the Chairperson is absent from a meeting, the Deputy Chairperson shall preside. If the Deputy Chairperson is absent also, the members present shall elect one of their number to preside.
- 7.2 A quorum exists at a meeting of the Committee if a simple majority of its members are present.
- 7.3 Questions arising at a meeting of the Committee shall be determined by consensus, however when required a question shall be determined by a majority of votes of the members of the Committee present and voting. The Chairperson at a meeting of the Committee shall have a vote, and in the case of an equality of votes, a second or casting vote.

8. Rules for the Conduct of Business and Ethical Practices

- 8.1 Subject to the general control of the Council, the Committee may make its own rules for the conduct of its business that are in keeping with its Charter.
- 8.2 Members are required to declare any interests, in accordance with the University's *Conflict of Interest of Members of Council Policy* and the *Code of Conduct for Council Members* that could constitute a real, potential or apparent conflict of interest with respect to participation on the Committee. The declaration must be made on appointment to the Committee and in relation to specific agenda items at the outset of each Committee meeting, and be updated as necessary.
- 8.3 Confidentiality issues shall be dealt with in accordance with the University's *Confidentiality Provisions - JCU Council, Council "Committees", Controlled Entity Directors and Nominee Directors of Non-Controlled Entities*. The Committee will receive the provisions each year at its first meeting.

9. Reporting Obligations

- 9.1 As soon as practicable after each meeting, the Committee shall submit minutes of the meeting confirmed by the Chairperson to the Council. The minutes shall include:
- a) advice, with recommendations as relevant, in respect to those matters set out in Schedule A;
 - b) confirmation of action taken in respect of any matter for which delegated authority has been exercised; and
 - c) advice on other matters referred to it by Council or any other Committee of Council or that the Committee wishes to draw to the attention of the Council.

The Committee shall provide to Council an Annual Schedule of Business for the Committee. The Schedule of Business and the Committee's membership list shall be appended to the Charter but do not form part of the Charter.

10. Executive Actions/Circularised Resolutions

- 10.1 Where circumstances do not allow a matter relevant to the duties and responsibilities of the Committee to be put to a meeting of the Committee, and a resolution of the Committee is required, the Chairperson shall cause the matter to be considered by members by circularised resolution. The principles and procedures adopted by University Council for managing business by circularised resolution apply.
- 10.2 Where it is not practicable for the matter in 10.1 above to be put to members by circularised resolution, the Chairperson or Secretary may act executively on the matter where delegated authority has been agreed.
- 10.3 Where it is necessary for the Chairperson to have a matter determined as in 10.1 or 10.2 above, the approval shall be reported by the Secretary to the next meeting of the Committee and where appropriate to the Council.

Schedule A

Duties and Responsibilities of the Committee

1. The Committee has been delegated the following by Council:
 - (a) Assist the Council in fulfilling its responsibilities relating to the financial affairs of the University;
 - (b) To be an interface on these matters with the management team of the University; and
 - (c) to advise the Council generally on the financial affairs of the University including but not limited to the operating and capital budgets, finances, accounts, investments, property, business enterprises and controlled entities.
2. The Committee shall provide advice to the Council on the matters above, any matter within its remit or referred to it by the Council or any other Committee of Council:
 - Plans and policies ;
 - proposals, including new ventures; and
 - monitor the results of the key performance indicators and performance indicators for which the Committee has oversight responsibility.
3. The Committee may make recommendations to the Council on the matters above, any matter within its remit or referred to it by the Council or any other Committee of Council on matters relating to the advice.
 - 3.1 In order to provide advice and recommendations, the Committee shall:

In respect of the finances of the University:

 - (a) advise the Council generally on the financial affairs of the University including but not limited to the operating and capital budgets, finances, accounts, investments, property, business enterprises and controlled entities including;
 - recommend to Council the adoption of the triennium budget;
 - recommend to Council the adoption of the financial reports and statements of all sources of funds once every 4 months;
 - recommend to Council the adoption of the annual audited statutory accounts and the associated management certificate and councillors' report;
 - recommend to Council the adoption of the borrowing programme requirements;
 - recommend to Council the adoption of major projects where the project budget exceeds \$5,000,000;
 - recommend to Council the adoption of expenditure which is greater than \$100,000 and is for a matter funded by bequest, donation or special grant;
 - (b) without limiting the generality of clause 3.1(a), have power to act on behalf of the Council in relation to:
 - the approval of the financial implications of matters considered and endorsed by other committees of Council;
 - the general direction and control of the investment of all moneys of the University including moneys held in trust;
 - the approval of the terms and conditions of borrowings;
 - the approval of significant accounting policies and the Financial Management Practice Manual;
 - the approval of the write-off of losses of \$10,000 or more;
 - the approval of donated property to and from the University;
 - the approval of the asset revaluation threshold limits;
 - the approval of a report detailing action taken in respect of revenue which has been held in a suspense account for more than 6 months; and
 - such other matters as are specifically delegated to it by Council.

3.2 In respect of the investment activities of the University:

- advise the Council on the performance of the University's investment portfolio and investment manager(s) and shall further:
- act in relation to the investment of all moneys of the University including moneys held in trust in accordance with the criteria established within the Investment Policy, Procedures and Authorised Limits;
- ensure that the investment strategy meets the goals and objectives of the University;
- ensure that the performance of the investment portfolio and investment manager(s) is assessed against established criteria;
- oversee and direct all aspects of investment activities including strategy, compliance with relevant legislation, policy, objectives, guidelines, asset allocations, tolerance to volatility, rate of return and asset benchmarks;
- ensure that an independent review of the performance of the investment portfolio is conducted at least every 5 years;
- select and approve the appointment of external investment professionals specifically including Investment Manager(s);
- monitor and review the performance of Investment Manager(s) to assure compliance with policy;
- monitor investment performance;
- monitor investment strategies and policies in respect of sustainable investments;
- review quarterly investment reports; and
- review annually, the status of the Restricted Funds and the Predetermined Rate of Return for distribution of investment returns to Restricted Funds.

3.3 In respect of the University's Controlled Entities:

- ensure oversight of the University's Controlled Entities, a responsibility under the Voluntary Code of Best Practice for the Governance of Australian Universities; and
- assess the risk of investment in the ownership of any associated entity, partnership and joint venture, a responsibility under the Voluntary Code of Best Practice for the Governance of Australian Universities.

3.4 In respect of the University's estate:

- oversight of the Estate Sub-Committee the purpose of which is to advise Council, via the Finance Committee, on the development and stewardship [curatorship] of the University's estate within the agreed Master Plans.

3.5 Bring to the attention of the Council any matters concerning the University's financial, staffing, physical or virtual resources on which it requires guidance or direction from the Council and consider and advise on any matter referred to it by the Council or the Vice Chancellor.

4. Nothing in the stated duties and responsibilities is intended to limit the matters on which the Committee may provide advice. However, the Committee should not go outside of the general scope of its charter without the approval of the Council.