

# FINANCE COMMITTEE CHARTER

## FINANCE COMMITTEE – CHARTER

### 1. Establishment

- 1.1 There is 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 authority, unless delegated to it by the Council of the University.

The 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 purposes.
- Request the attendance of any employee, including executive staff, and contractors to the University, at Committee meetings.
- Conduct meetings with any relevant Division/College/Directorate, 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 will 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 will:

- (a) perform the duties and responsibilities specified in Schedule A;
- (b) make decisions on behalf of the Council in line with the delegations specified in the JCU Delegations Schedule
- (c) act on behalf of the Council on such other matters as are required of it from time to time by the Council;
- (d) 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 have 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.

- 4.2 The Chairperson will be appointed by the Council from its members and the Committee shall have a Deputy Chairperson elected by the Committee. Whenever a vacancy occurs in the office, the Committee will elect a Deputy Chairperson. The Chairperson and Deputy Chairperson will be neither a member of staff nor a student of the University nor a Co-opted Additional member.
- 4.3 The Co-opted Additional members will have appropriate qualifications/experience and shall be from outside the University.
- 4.4 Appointments including appointments of Co-opted Additional members will be for a period of up to four years and will be recorded in a membership list. For Co-opted Additional members their appointment will be until their term of office expires or until they resign from the Committee, and for Council members until their successors are appointed or they cease to be members of the Council.
- 4.5 Before appointing a member, the Committee will:
- (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.
- 4.6 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 Chairperson assuming chair) will as far as practicable consult and report through that other person.
- 4.7 Attendance by others at Meetings - the Committee or its Chairperson may invite other University staff members and persons external to the University, as required for the purposes of the Committee, to attend meetings as advisers
- The following internal advisors shall be invited to attend meetings and shall have rights of audience and debate:
- (i) Chief Financial Officer
  - (ii) Independent Advisors as required

## **5. Secretariat**

- 5.1 The University Secretary or nominee will 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 Chairperson, 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 will provide the resources necessary for the performance of the Committee.

## **6. Convening a Meeting**

- 6.1 The Committee will meet as often as necessary in order to perform its functions. The number of meetings may vary in accordance with the volume of business that falls within the remit of the Committee. However, it is recommended that the Committee hold a minimum of four meetings per year.
- 6.2 Meetings will be convened by either the Chairperson or the Secretary and the Secretary will send a notice of meeting in reasonable time to all members of the Committee. For the purposes of accountability and meeting efficiency, all meetings will 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, will 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.

## **7. Conduct of Meeting**

- 7.1 Except as hereinafter provided the Chairperson will preside at all meetings of the Committee. If the Chairperson is absent from a meeting, the Deputy Chairperson will preside. If the Deputy Chairperson is absent also, the members present will 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 will 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 will 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 [Conflicts of Interest – University Council Policy](#) and the [Code of Conduct – University Council](#) 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 will submit minutes of the meeting confirmed by the Chairperson to the Council. The minutes will include:
  - (a) advice, with recommendations as relevant, in respect of 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.
- 9.2 The Committee will conduct its business in accordance with an Annual Schedule of Business for the Committee. The Schedule of Business and the Committee's membership list 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 will cause the matter to be considered by members by circulating resolution. The principles and procedures adopted by Council for managing business by circulating resolution apply.
- 10.2 Where it is not practicable for the matter in 10.1 above to be put to members by circulating 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 will 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 is responsible for the following matters:
  - Assist the Council in fulfilling its responsibilities relating to the financial affairs of the University;
  - To be an interface on these matters with the management team of the University; and
  - 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 will 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.
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.
4. In order to provide advice and recommendations, the Committee will:
  - (a) In respect of the finances of the University:
    - 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 Notes to the Financial Statements – Summary of Significant Accounting Policies on an annual basis;
    - 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;
  - (b) 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;
    - 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.
  - (c) 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 Public 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 Public Universities.
  - (d) 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, including:
    - 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.

5. 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.
6. Council delegates to the Committee specific decision making powers as contained in the [JCU Delegations Schedule](#), as amended from time to time.