

**VICTORIA UNIVERSITY****UNIVERSITY COUNCIL****FINANCE AND INVESTMENT COMMITTEE****TERMS OF REFERENCE****1. Role**

The Finance and Investment Committee is a formally constituted committee of Council with particular responsibility for providing Council with strategic advice on and oversight of the overall financial performance and sustainability of the University and its controlled entities, and the management, allocation and investment of University capital and funds.

**2. Authority**

In accordance with the *Schedule 1 section 15 (3) and section 18 of the VU Act*, Council authorises (delegates) the Finance and Investment Committee to:

- approve the write off of bad debts above \$1m;
- approve leases above \$1m calculated over the full term if the lease;
- approve asset sale, acquisition or write-off, up to a value of \$20m;
- approve contracts for utilities (i.e. power, gas, water) above \$5m per annum or above the Vice-Chancellors delegation limit of 10% increase in contract price of the expired/expiring agreement;
- approve Authority and Indemnity to Bank;
- review and recommend to the Council where appropriate, expenditure proposals in excess of the Vice Chancellor's delegation;
- establish sub-committees or internal working groups as required to assist it in the exercise of its responsibilities;
- request the attendance of any University employee, officer of a Controlled Entity or Council member at Committee meetings where reasonable;
- approve revisions to the University's annual operating budget, capital infrastructure plans and cash flow by way of an updated Forecast, as recommended by the Chief Financial Officer;

- obtain relevant and reasonable information in line with the Committees functions, from a University employee or an external party (subject to their legal obligation to protect information); and
- exercise such other functions as may be necessary to enable it to exercise the responsibilities set out in its Terms of Reference.

### **3. Functions**

- 1 advise and make recommendations to Council on:
  - a. any matter having a significant impact on the financial viability and sustainability of the University;
  - b. the Financial Project Plan within the University's Strategic Plan;
  - c. actions following identification of a major budget variance and follow up on the implementation of those actions;
  - d. the University's annual operating budget, capital infrastructure plans and cash flow in support of the University's Strategic Plan and any revisions to these by way of an updated Forecast as recommended by the Chief Financial Officer;
  - e. the University's financial performance against budget, approved financial performance indicators and targets;
  - f. risk to financial matters relevant to the University;
  - g. risk to any matter related to borrowings and appropriate level of minimum cash requirements;
  - h. recommend approval or change to capital, maintenance and strategic expenditure and business cases relating to the development and use of property, capital, assets, IT development and maintenance projects >\$1m;
  - i. execution of capital, operating and strategic expenditure plans;
  - j. asset sale, acquisition or write-off, above a value of \$20m;
  - k. the implementation of the University's investment plan and recommend changes as necessary ensure the University's investment portfolio and policy is reviewed on a regular basis;
  - l. investment performance, investment objectives and strategic asset allocations in accordance with the University's Investment Strategy and report their performance to Council;

- m. the financial performance of existing subsidiaries, joint ventures, trusts and foundations, including considering draft business plans, performance each year in context with the Annual Business Plan; and proposals for the formation of new or dissolution of existing structures;
  - n. financial implications for, and the ability of the University to deliver on significant matters relating to the physical resources of the University;
  - o. significant matters relating to the financial management of the University's human resources;
  - p. the financial performance of all fundraising activities at least six (6) monthly intervals;
  - q. the overview of the financial and budgetary arrangements of the University in order to satisfy the Council that financial policies are appropriate and effective in accordance with the University's regulations, applicable legislation or regulations or accounting standards;
  - r. any matters relevant to its terms of reference which might be referred to it by Council or the Vice-Chancellor from time to time; and
  - s. commercial, service or business proposals and recommend to Council on the appropriate financial and related issues.
- 2 Receive regular reports on, and proactively monitor the performance of the University's investments and of any appointed investment fund managers;
  - 3 Advise the Vice-Chancellor on the adequacy and capability of the University's finance function to perform its responsibilities, including the meeting of sector standards; and
  - 4 Report to Council after each meeting, and annually review and report to Council on its own performance.

#### **4. Membership**

- 1 The Council nominates and appoints members of the Finance and Investment Committee. It will have the following membership:
  - up to five external members of Council, one of whom will be the Chair; and
  - an option of up to two additional independent external members with specialist skills in accounting and finance.

- 2 All members of the Committee must have:
  - knowledge of the University's Strategic Plan and associated funding issues; and
  - financial literacy including the ability to read and understand financial statements including a balance sheet, a profit and loss statement and a cash flow statement.
- 3 Among the members of the Committee there will be:
  - members with relevant financial qualifications and financial management expertise at a senior level in the public or private sector;
  - members with a track record in approving organisational investment strategy and capital projects;
  - members with commercial expertise including experience at a senior level in the public or private sector; and
  - skills, knowledge and experience in areas relevant to the effective use of the University's resources.
- 4 External members must be 'fit and proper persons' as determined by *The Tertiary Education Quality and Standards Agency Fit and Proper Person Determination 2018*, the *Education Services for Overseas Students (ESOS) Act 2000*; as required by the Australian Skills and Quality Authority (ASQA), and as required by the University's probity processes.

## **5. Meetings**

The Committee will meet at least 5 times a year. In addition, the Chair may call special meetings as required.

## **6. Conflict of Interest**

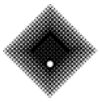
Where relevant, members must declare real or perceived conflicts of interests in the appropriate form and according to the *Conduct of Council Business and Standing Orders Procedure*.

## **7. Quorum**

A quorum of the Committee is half the members plus one.

## **Original Council Approval Date**

Tuesday 19 October 2021



### Modification History

<b>Date</b>	<b>Approval</b>	<b>Details</b>
Tuesday 6 December 2022	Council	Annual Review
Tuesday 5 December 2023	Council	To align with the new Delegations and Authorisations Policy.